



# ***Daily Report***

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## **China**

FBIS-CHI-94-184  
Thursday  
22 September 1994

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# Daily Report

## China

FBIS-CHI-94-184

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22 September 1994

**NOTICE TO READERS:** Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An \* indicates material not disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Conference

#### UN Rejection of Taiwan Motion Discussed

OW2209101094 Beijing XINHUA in English 0954  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—The essence of the Taiwan authorities' attempt to "return to the United Nations" is to create "two Chinas," a Chinese Foreign Ministry spokesman said here today.

Chen Jian, the spokesman, was commenting on the handling of an agenda item of Taiwan's participation in the United Nations proposed by a few countries for the 49th session of the UN General Assembly, at a weekly press conference this afternoon.

On September 21, Chen said, the General Committee of the 49th Session of the UN General Assembly once again resolutely refused to place the question of Taiwan's "representation" in the United Nations raised by a few countries on the agenda of the General Assembly.

This fully shows that any move in violation of the UN Charter and the relevant resolution of the UN General Assembly and interfering in the internal affairs of a country is bound to be opposed by the international community, he said.

He said that Resolution No. 2758 adopted by the 1971 UN General Assembly has long settled the question of China's representation at the United Nations politically, legally and procedurally.

The essence of the attempt by the Taiwan authorities to "return" to the United Nations is to create "two Chinas," the spokesman said, and such a move in splitting China is against the wish of the people, and it is therefore doomed to failure.

#### Japan Warned Over Taiwan Visit

OW2209104194 Tokyo KYODO in English 1030 GMT  
22 Sep 94

[Text] Beijing, Sept. 22 KYODO—China continued Thursday [22 September] to warn Japan against allowing the visit by Taiwan's Deputy Premier Hsu Li-te to the upcoming Hiroshima Asian games.

"We hope the Japanese Government will realize the possibly grave consequences of this matter and set in store the general interests of Sino-Japanese relations and reverse their decision allowing Hsu Li-te to visit Japan," a Foreign Ministry spokesman said.

Spokesman Chen Jian said such a reversal will "prevent the impairment of Sino-Japanese relations and prevent the smooth running of the Asian Games from being disrupted."

Chen's exhortations echo similar protests made in the preceding weeks which led the Olympic Council of Asia to cancel all invitations to "political figures," effectively

squashing the opportunity for Taiwan President Li Teng-hui to visit Japan during the Oct. 2-16 games.

Hsu, however, was granted a visa to enter Japan under his capacity as member of Taiwan's bidding committee for the 2002 Asian games, a move that also infuriated China.

China, which considers Taiwan an inseparable part of China, maintains that "peaceful reunification with the mainland is a common aspiration of all Chinese people" both on the mainland and in Taiwan.

Chen refused to address questions on a possible boycott of the Asian games.

Chen refused to back down on the Taiwan question and called on Japan to abide by "the joint communiques" which call for a "one China policy."

Chen refused to link the recent postponement of a visit to China by Japanese Minister of International Trade and Industry Ryutaro Hashimoto to the issue, while also refusing to confirm that the earlier scheduled visit by State Councillor Li Tieying to the Asian games was also canceled.

Chen said the efforts of Taiwan's authorities "to squeeze their way into the Hiroshima Asian games by resorting to every means," was part of a greater effort to create "two Chinas or one China, one Taiwan."

He said Wednesday's decision by the United Nations to keep the issue of Taiwan's membership off the upcoming UN General Assembly session agenda was a sign such efforts would not succeed.

"The decision made by the General Committee of the UN General Assembly also shows that to seek political living space or to seek to create 'one China and one Taiwan' will get no support from the international community," Chen said.

#### Expresses Condolences to Iran

HK2209113294 Hong Kong AFP in English 0936 GMT  
22 Sep 94

[Text] Beijing, Sept 22 (AFP)—China has expressed its condolences to Iran over the shooting of an Iranian diplomat and his son by a gunman here, as the death toll from the massacre climbed to 10, officials said Thursday.

Foreign Minister Qian Qichen sent the message to his Iranian counterpart 'Ali Akbar Velayati following the shootout Tuesday when a lone gunman opened fire on a busy Beijing road, ministry spokesman Chen Jian said.

A police spokesman said 10 people had been killed and 40 injured in the attack, when a Chinese army lieutenant, identified as Tian Mingjian, opened fire on cars at random with an AK-47 outside a compound housing foreigners.

Earlier official estimates put the death toll at nine with about 30 wounded.

Chen said the gunman had acted alone and that the attack had not been directed against the Iranian diplomat, Yusef Mohammadi-Pishkonari, 35.

The diplomat's nine-year-old son was also killed and two of his children were wounded in the attack.

"It is clear that the Iranian diplomat was killed by the gunman," Chen added, countering speculation that the diplomat could have been killed by police bullets in the crossfire.

"China and Iran are friendly countries and will examine the incident in the appropriate manner," Chen told a press conference.

An Iranian delegation arrived here Thursday to investigate the killings.

Witnesses said the gunman walked calmly along the Beijing road, covering a distance of at least 300 metres (yards), opening fire at traffic and passers-by and reloading as each clip of ammunition ran out.

The rampage lasted for around 10 minutes before police reinforcements arrived and shot the killer dead.

#### **Zhu Rongji To Attend IMF Meeting**

OW2209083594 Beijing XINHUA in English 0823  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—Chinese Vice-Premier Zhu Rongji will lead a delegation to attend the joint annual meeting of the International Monetary Fund and the World Bank held in Madrid, Spain, from October 2 to 4, a spokesman of the Chinese Foreign Ministry said here this afternoon.

Zhu is also governor of the People's Bank of China and governor of the International Monetary Fund for China.

Following that, the spokesman said, Zhu will, at the invitation of Deputy Prime Minister Serra of Spain, Deputy Prime Minister of Egypt al-Janzuri and the Government of Greece, pay an official visit to Spain, Egypt and Greece from October 5 to 19.

#### **Czech Prime Minister To Visit**

OW2209085694 Beijing XINHUA in English 0845  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—At the invitation of Chinese Premier Li Peng, Prime Minister of the Government of the Czech Republic Vaclav Klaus will pay an official visit to China from October 7 to 10.

A spokesman of the Chinese Foreign Ministry announced this here at a press conference this afternoon.

#### **Norwegian Foreign Minister To Visit**

OW2209090294 Beijing XINHUA in English 0850  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—Bjoern Tore Godal, minister of foreign affairs of the Kingdom of Norway, will pay an official visit to China from October 8 to 12 at the invitation of Chinese Vice-Premier and

Foreign Minister Qian Qichen, a Chinese Foreign Ministry spokesman said here this afternoon.

#### **Bolivian Vice President To Visit**

OW2209091294 Beijing XINHUA in English 0902  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—Victor Hugo Cardenas, vice-president of the Republic of Bolivia and president of the Bolivian National Congress, will pay an official good-will visit to China with his party from October 2 to 9 at the invitation of the Standing Committee of China's National People's Congress.

This was announced by a Chinese Foreign Ministry spokesman at a press conference here this afternoon.

#### **UN Rejects Request for Taiwan 'Representation'**

OW2209041594 Beijing XINHUA in English 0333  
GMT 22 Sep 94

[Text] United Nations, September 21 (XINHUA)—The UN General Committee today rejected the inclusion in the agenda of the current General Assembly session of the item concerning Taiwan's "representation" in the United Nations.

The request, first raised and rejected last year, was raised again by a small number of countries earlier this year for discussion at the current session beginning Tuesday [27 September].

Speaking at today's meeting, Li Zhaoxing, Chinese permanent representative to UN, said China strongly opposed the inclusion of the item on the assembly's agenda, which would contravene the principles of the charter and General Assembly Resolution 2758.

Resolution 2758, adopted at the 26th UN Session in 1971, states that "the representatives of the Government of the People's Republic of China are the only legitimate representatives of China to the United Nations and that the People's Republic of China is one of the five permanent members of the Security Council".

Li said that there is only one China and that Taiwan is an inalienable part of the Chinese territory. Therefore, he said, the principle of "universality of membership" does not apply in this case.

"The attempt to use this principle, applicable only to sovereign states, as an argument for Taiwan joining the United Nations is, in essence, a distortion and violation of the purposes and principles of the UN Charter as well as its relevant provisions," Li said.

He also pointed that "the question of Taiwan is different in nature from that of Germany and Korea, therefore they cannot be put on a par."

The Chinese ambassador criticized Taiwan authorities for disregarding the interests of the Chinese nation by trying to win over a small number of countries by their "dollar diplomacy" and make them trumpet Taiwan's "return" to the United Nations.

"The Chinese Government and people are following the development with serious concern and will not sit idly by in face of any activities aiming at splitting China and blocking and undermining the great cause of China's reunification," he added.

The representative of Pakistan said that the proposed agenda item represented interference in the internal matters of a member state, so that it should not be included on the current agenda or on future agendas.

The representative of Ukraine said that the issue went far beyond a procedural matter and touched on the issue of respect for the sovereignty of member states.

Apart from China, Pakistan, Ukraine, and Ghana, those opposed to the inclusion of the Taiwan issue were Syria, Tunisia, Kazakhstan, India, Libya, Sudan, Russia, Cambodia, the Democratic People's Republic of Korea, Uruguay, Burundi, Fiji, Cuba, Nepal, Benin, and Kuwait.

The seven supporters of the inclusion were the Dominican Republic, Grenada, Burkina Faso, Solomon Islands, Niger, Nicaragua, and Guinea-Bissau.

#### U.S. Delegation Departs for Talks With DPRK

OW2209080194 Beijing XINHUA in English 0714  
GMT 22 Sep 94

[Text] Washington, September 21 (XINHUA)—The U.S. delegation, led by Assistant Secretary of State Robert Gallucci, left here this afternoon for the high-level talks on nuclear issues with the Democratic People's Republic of Korea (DPRK) in Geneva on Friday [23 September].

Before departing, Gallucci said at a State Department news briefing today that during the last session in August, "we made some progress," but a number of issues still are "unresolved."

"We go off to Geneva with confidence that we'll be able to address these issues and the hope that we'll address them successfully," he said.

But he noted that "while we certainly are very interested in improving our relations with North Korea, we have no intention of doing it at the expense of our relations with South Korea."

He stressed that "as we make progress with the North in settling the nuclear issue, progress is also made between North and South in settling outstanding issues between the two of them."

"To do that, the North and the South will have to resume talks," Gallucci added.

He also said the United States plans to invite a number of countries from Asia and Europe to come together and form an organization which he called the Korean Energy Development Organization at this point.

All members of the organization would have an interest in working together to help resolve the nuclear issue, he believed.

They would play a role principally in providing energy to meet the needs of the DPRK as it makes its transition from the gas graphite technology to light-water technology, he added.

The United States has had consultations on that with some of those countries, including South Korea, Japan, China and Russia, Gallucci said.

#### ROK Wants To Provide Reactors

OW2209103794 Beijing XINHUA in English 1016  
GMT 22 Sep 94

[Text] Seoul, September 22 (XINHUA)—South Korean President Kim Yong-sam has claimed that his country would be the major provider of nuclear reactors to the Democratic People's Republic of Korea (DPRK), official sources said here Thursday [22 September].

In a letter sent to U.S. President Bill Clinton earlier this week, Kim said that Seoul should play a "central role" in replacing the DPRK's graphite-moderated nuclear reactor with plutonium-free light-water model, the unidentified sources said.

The letter, a response to one received by Kim on September 16, is widely interpreted here as a sign of South Korea's commitment to the U.S. as Washington kicks off grueling high-level talks with Pyongyang aimed at pegging down the type of reactor and scope of financing.

Recent press reports said that the U.S. wanted a South Korean pledge in writing as assurance before it arranges the 4-billion- U.S.-dollar light-water reactor project for the DPRK.

The general reaction to these reports was negative in Seoul, with questions raised about the necessity of a written assurance by President Kim himself.

Toning down the interpretation that Kim's letter was in the form of a written commitment, Foreign Ministry spokesman Chang Ki-ho said: "President Kim's letter was a response to President Clinton's message. It was a reaffirmation of bilateral stances before the second session of the third round of Washington-Pyongyang high-level talks start in Geneva on September 23."

The DPRK, which is demanding advanced reactors in exchange for freezing its nuclear program, has resisted the idea of taking the South Korean model. The U.S. hopes to tackle this problem again at the Geneva talks.

U.S. Assistant Secretary of State Robert Gallucci, who acts as the chief U.S. negotiator at Washington-Pyongyang high-level talks, brought Clinton's letter to President Kim last week when he came to Seoul.

The sources said that Clinton's message reconfirmed the principle that new reactors will be supplied on condition that the DPRK makes its past, present and future nuclear activities transparent and that an international consortium be formed for the reactor project with South Korea playing the key role.



Kim, in response, reiterated Seoul's willingness to assume the central role provided that South Korea's reactor model is chosen, that transparency is guaranteed and that the row over Pyongyang's nuclear program is resolved, according to the sources.

At the first session of the third round of high-level talks between the U.S. and the DPRK in Geneva in mid-August, negotiators agreed on U.S. provision of light-water nuclear reactors to the DPRK while supplying alternative energy during the construction period. They also decided that the DPRK would freeze its graphite-moderated reactor project and would not reprocess spent fuel rods taken from its 5-megawatt unit.

Moreover, the U.S. and the DPRK agreed to establish liaison offices in each other's capital in an effort to work toward complete normalization of political and economic relations.

#### U.S. To 'Press' To End Violence in Haiti

OW2109172694 Beijing XINHUA in English 1629  
GMT 21 Sep 94

[Text] Washington, September 21 (XINHUA)—The commander of the U.S. military forces in Haiti said Wednesday [21 September] that he would press the country's military leaders to stop the violence in the streets.

Reports say that clashes occurred between supporters of the exiled President Jean-Bertrand Aristide and the Haitian Police in Port-au-Prince Tuesday, with one civilian killed.

Lieutenant General Hugh Shelton of the U.S. military forces told a television interview this morning that he would meet Haiti's military leader General Raoul Cedras and asked him to use his influence "to stop these types of actions."

But he said that "as we speak right now there is no plan to disarm the Haitian military."

General Shalikashvili said at a White House briefing here late last night that while the U.S. operation had gone smoothly so far, he was worried about the possibility of Haitian-on-Haitian violence.

"Nothing that we have seen so far removes my concern about that because these explosive situations... [ellipses as received] can come up at any moment and our soldiers have to be prepared for it, physically and mentally."

But he said that U.S. troops in Haiti will not interfere unless violence threatens their security.

He called the task of keeping law and order in Haiti "the responsibility of the Haitian Police Force and the Haitian military." "We are not in a business of doing the day-to-day law and order," he said.

According to reports from Port-au-Prince, General Shelton told reporters there this morning that U.S. Forces had secured the airfield and port at Cap-Haitien in Haiti's northern coast Tuesday. More than 6,000 U.S.

troops have entered the Caribbean country and with more flowing in today, the total number will be increased to 9,000 to 10,000 by the end of the day.

#### Expedition Leaves for Antarctic 'Next Month'

OW2209104594 Beijing XINHUA in English 1017  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—China's Antarctic expedition will leave for the country's scientific stations on this frozen land later next month.

This will be the eleventh expedition that China sends to Antarctic.

According to officials from the State Administration of Oceanography, members of the expedition team will depart in two groups.

The first group of 100 Chinese researchers and sailors will leave by "Snow Dragon," a 20,000-ton icebreaker China bought recently from Ukraine. And the second group will fly there via Chile.

Qian Yongfu, who was president of Beijing Jinwang Nutrition Tonic Co Ltd and offered a large amount of fresh royal jelly to the expedition, has been invited to join the expedition. It is the first time for a Chinese entrepreneur to take part in the team since China started its Antarctic expedition program a decade ago.

According to Chinese officials, some members of the coming expedition will spend seven months of winter time in Antarctic.

#### Experts To Develop Strategy for Enterprises

OW2109133894 Beijing XINHUA in English 1255  
GMT 21 Sep 94

[Text] Hangzhou, September 21 (XINHUA)—Experts from seven countries and regions are to follow China's development of foreign-funded enterprises so as to develop a strategy for their future development, according to an international symposium which concluded today in this capital of Zhejiang Province.

At the symposium, the first of its kind ever held in China, experts from China, the United States, Japan, Australia, Britain, the Netherlands and Hong Kong also decided to establish an advanced training center for China's foreign-funded enterprises in Hangzhou.

The center, which will jointly train advanced management personnel for China's foreign-funded enterprises and multinational corporations, will offer training courses for Chinese and foreign management expertise so as to increase the opportunities for success and enhance economic performance.

Other issues discussed at the symposium were the development and management of foreign-funded enterprises, the possibility of establishing a management model which fits both Chinese and overseas partners, and ways to improve the economic returns in such enterprises.

According to the symposium, jointly sponsored by the Research Center on Foreign Funded Enterprise Management of Hangzhou University and the International Management and Development Center of the University of Cincinnati in the United States, China has established a total of 150,000 foreign-funded enterprises.

### United States & Canada

#### U.S. Envoy to UN Cited on 'One China Policy'

OW2109191794 Beijing XINHUA in English 1844  
GMT 21 Sep 94

[Text] New York, September 21 (XINHUA)—The United States is supporting one China and "one nation, one vote" policy, according to the U.S. ambassador to the United Nations.

Ambassador Madeleine Albright, permanent representative of the United States to the United Nations, made the remarks at the Foreign Press Center here today during a question and answer session after a brief on the current UN General Assembly.

She said the United States supports a single China, one China policy.

Commenting on Taiwan's bid to "return" to U.N., she noted that "The issue here is that the United States is supporting one China policy."

The American policy is very clear and we support one China, Albright said, adding that "We have said this before and we will continue to say it."

"That has been a long standing policy and is our policy," the ambassador said, "In terms of the U.S. policy as far as the UN is concerned, it is clear that one nation, one vote is our policy."

This year, the Taiwan authorities once again asked some countries to bring up the issue of "Taiwan's membership in U.N." after last year's failure and wanted it to be included in the new session's agenda as a supplementary item. However observers said this will meet the same fate.

According to the UN General Assembly Resolution 2758 adopted in 1971, the representative of the People's Republic of China is the sole legitimate representative of China to the United Nations.

Taiwan was expelled from the United Nations by the General Assembly when the resolution was adopted.

#### Shanghai's Huang Ju Meets Auto Executive

OW2109161494 Beijing XINHUA in English 1459-  
GMT 21 Sep 94

[Text] Shanghai, September 21 (XINHUA)—Although a latecomer in investing in China, the Ford Automobile Company of the United States will soon catch up with the others, an executive of the company said here yesterday.

Speaking at a news conference, Alex Trotman, chairman of the Ford Company, said, "This is because my company can compete with any other auto company in the world in terms of technology and quality."

He pledged to do his best to expand Ford's business in Asia during his term as the company's chairman.

"Our goal is set up a global auto-production network," he said.

A Ford delegation led by Trotman is now visiting Shanghai and other parts of China.

In a meeting with Trotman and his party yesterday, Shanghai's Mayor Huang Ju invited the Ford Company to invest and set up joint ventures in the city.

During their stay in Shanghai the Ford delegation members have visited two joint ventures between Ford and local manufacturers.

One is a glass company turning out glass for automobiles, which went into operation September 1 this year. The other is a company manufacturing auto accessories and plastic parts, set to start production in two months' time.

Addressing the news conference, Trotman said that his company hopes to reach agreements on the establishment of a number of joint ventures with Chinese auto makers in the next few months.

He said that in so doing Ford will place its emphasis on Shanghai, because Shanghai is what he called the "dragon's head" of China's economy.

"We also plan to set up a joint venture in Jilin Province," he added.

He said that in the next few days he will visit Beijing and Changchun, capital of Jilin, and hold talks with his Chinese colleagues and government officials.

He said, "Ford backs China's policy on the automobile industry and appreciates China's efforts to expand the industry."

Ford will not only expand the auto parts industry in China, but also plans to build auto assembly plants in the country, he said.

Although the auto industry is highly competitive, Ford will do its utmost to increase its Chinese market share, Trotman told the news conference.

Asked where products turned out by joint ventures between Ford and Chinese firms will be sold, he said that they will be sold in China and the rest of the world, so long as they are of high quality and competitive in price.

He said that Ford has decided to attend a symposium on and exhibition of cars designed for families to be held in Beijing in November 1994.

### Central Eurasia

#### Agreement With Russia on Commodity Exports

OW2109133194 Beijing XINHUA in English 1318  
GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—Beginning October 1 this year, Russia is to examine commodity



checking certificates for or impose mandatory standard checks on Chinese commodities which need mandatory checks before they are exported to Russia.

An official from the Chinese State Administration for the Inspection of Import and Export Commodities said that the administration had reached an agreement to that effect with his Russian counterpart.

According to Russian law, only those commodities which have certificates provided by the Russian State Standards Bureau or have passed Russia's in-force standard checks supervised by Russian-approved foreign companies are allowed to enter Russia. Those commodities which need mandatory checks include foodstuffs, drinks, electronics and machinery, medical instruments and others involving Russia's security and public health.

The Chinese official believed that the implementation of the agreement will help raise the quality of commodities in the two country's bilateral trade and promote the healthy development of trade between the two countries.

### Southeast Asia & Pacific

#### NPC's Li Ximing Meets Thai Legislators

OW2109115694 Beijing XINHUA in English 1041  
GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—Li Ximing, vice-chairman of the Standing Committee of Chinese National People's Congress (NPC), met here this afternoon with Nipon Wisityuthasat, chairman of the Committee on Justice and Human Rights under the House of Representative of National Assembly of Thailand, and his delegation.

Both sides agreed that exchange of visits between parliaments of the two countries has promoted bilateral friendship and cooperation.

Thai guests arrived here Monday [19 September] at the invitation of the Committee for Internal and Judicial Affairs of the National People's Congress (CIJANPC).

Meng Liankun, chairman of CIJANPC, held a working talk yesterday with Nipon.

#### New Zealand Prime Minister on 'Asia 2000'

OW2109120994 Beijing XINHUA in English 1106  
GMT 21 Sep 94

[Text] Wellington, September 21 (XINHUA)—Prime Minister Jim Bolger inaugurated an Asia 2000 Foundation here tonight in a bid to promote NZ's [New Zealand's] economic, cultural links and trade with Asia.

At a ceremony presided over by Governor-General Dame Catherine Tizard, Bolger announced "We formally establish a foundation that will have an immense impact on the future of our children and grandchildren."

"The 90s have been years of exploration for New Zealand as we sought a firm foundation in Asia and now is the time to build on that foundation."

NZ needs the structure and skills to effectively develop its new relationships with Asia, he said.

He said the establishment of the foundation "is of vital importance to the future of our nation as a country in the Asia-Pacific region."

Answering questions from XINHUA, the prime minister said NZ has many common ground with Asian countries in the areas of trade, business and investment.

Time is needed for NZ to increase its awareness and understanding of Asia, he said.

#### Fijian Officials Visit, Discuss Cooperation

OW2109121094 Beijing XINHUA in English 1101  
GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—Visiting Fijian Prime Minister Sitiveni Rabuka met here this afternoon with Ding Henggao, China's minister in charge of the Commission of Science, Technology and Industry for National Defense.

They exchanged views on the further development of bilateral cooperation in relevant areas.

Earlier today, the two cabinet ministers accompanying Rabuka on the visit also had talks with Chinese officials in charge of foreign trade and economic cooperation, civil aviation, tourism and other sectors.

The two ministers, Berenado Vunibobo, minister for finance and economic development, and James Ah Koy, minister for commerce, industry, trade and public enterprises, discussed issues concerning bilateral cooperation with the Chinese officials during the talks.

Also today, Sitiveni Rabuka had a tour to a high technology development zone in Beijing.

The Fijian prime minister and his party are scheduled to leave here for Hangzhou tomorrow.

### Near East & South Asia

#### Six K-8 Jet Trainers Delivered to Pakistan

HK2209102194 Beijing CHINA DAILY in English  
22 Sep 94 p 1

[By Ma Chenguang: "Exports of Jet Trainers Take Wing"]

[Text] Nanchang, Jiangxi—China's aviation industry received a welcome boost yesterday with the delivery of six K-8 jets to Pakistan.

The handover marked the export debut of the new aerobatic jet trainers.

The six K-8s, worth more than \$20 million, were handed over to the Pakistan Air Force at a ceremony held at Nanchang Aircraft Manufacturing Company (NAMC), where the trainers were designed, made and tested.

They were the first batch of this type of military-use aircraft Pakistan is to receive from China.

The six aircraft, which will soon be flown to Pakistan via China's Xinjiang Uygur Autonomous Region, were developed by the China National Aero-Technology Import & Export Corporation (CATIC), NAMC and the Pakistan Aeronautical Complex under a 1986 agreement between the two nations.

So far, 21 K-8s have been made at the Nanchang factory.

Each of the K-8s, with high performance, high reliability, easy maintenance and low cost, is 11.6 metres long with a wing span of 9.63 metres.

Pakistan has expressed the intention to buy more of the jets.

Yesterday's ceremony was attended by representatives from the Aviation Industries of China, CATIC, Air Chief Marshal Farooq Khan of the Pakistan Air Force, Pakistan Ambassador in China Khalid Mahmud and their party, and also delegates from Bangladesh, Botswana, Myanmar [Burma] and the United States.

#### **Pakistan Officials Comment**

BK2209104094 Islamabad THE NEWS in English  
22 Sep 94 p 1

[Text] Beijing: At a colourful ceremony held at Nanchang, China, Wednesday [21 September] Pakistan Chief of the Air Staff, Air Chief Marshal Farooq Feroze Khan received delivery of six trainer K-8 aircraft which has been co-developed by Pakistan and China.

Speaking on the occasion he described it as a 'significant milestone' in the long history of close cooperation and technical collaboration between the two countries. Vice president of China's aviation industries Wang Ang said that K-8 aircraft represented a generation of jet trainers with state-of-the-art in the 90s. Expressing the belief that Sino-Pakistan cooperation in the aviation field will be further strengthened, he assured of "full efforts to help Pakistan establish its own aviation industry."

According to a Pakistan embassy press release, the handing over ceremony was organised at the Nanchang aircraft manufacturing company which has the distinction of being the place where the first Chinese self-manufactured aircraft was rolled out. The place had been especially decorated for the occasion. Commencing with the playing of the national anthems of Pakistan and China, the ceremony was also attended by the deputy governor of Tangxi province who termed the handing over of the K-8 aircraft as heralding "a new chapter in Sino-Pakistan cooperation and friendship."

From the Pakistan side wife of the Pakistan Air Chief Begum Farzana Farooq and Pakistan ambassador to China Khalid Mahmud were present. The Air Chief Marshal, Begum Farooq, and other dignitaries inspected the aircraft.

Named after the Karakoram mountains linking Pakistan and China, K-8 with its advanced technology and easy maintenance can provide basic and fairly advanced training for pilots.

#### **Iranian Team Arrives To Probe Diplomat's Death**

LD2209104594 Tehran IRNA in English 1009 GMT  
22 Sep 94

[Text] Beijing, Sept. 22, IRNA—A four-member Iranian fact-finding delegation arrived here Thursday to probe into the killing of an Iranian diplomat and his son in a shootout here Tuesday.

The Iranian, diplomat Yusuf Mohammadi, and his nine-year-old son were killed when the car carrying a diplomatic licence plate, got caught in a cross fire between the police and an [word indistinct] man on a Beijing highway. The Iranian diplomat was driving his children to school. Another son of Mohammadi who was shot in the leg was taken to hospital.

The delegation headed by head of the South and East Asia Department of the Foreign Ministry, B. Morshedzadeh, is to discuss with Chinese officials the reasons behind the killing.

The Iranian embassy in Beijing on Tuesday lodged a protest with the Chinese Foreign Ministry against the tragic incident.

#### **State Councillor Luo Gan Meets Indian Official**

OW2209065594 Beijing XINHUA in English 0640  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—Luo Gan, State Councillor and secretary-general of the State Council, met with Bhuvanesh Chaturvedi, indian minister of state of the prime minister's office, here today.

Chaturvedi is here to participate in the ministerial conference on space application for development in Asia and the Pacific, which is scheduled to open here tomorrow.

China and India are mutually complementary scientifically and there exists great potential for Sino-Indian cooperation in the field, Luo said.

He voiced the hope that the two countries will develop cooperation in various forms to bring benefits to the two peoples.

Deng Nan, vice-minister of the State Science and Technology commission, took part in the meeting.

#### **Qian Qichen Receives Omani Deputy Minister**

OW2009134994 Beijing XINHUA in English 1243  
GMT 20 Sep 94

[Text] Beijing, September 20 (XINHUA)—Qian Qichen, China's vice-premier and foreign minister, met with Haytham al Sa'id, deputy minister of foreign affairs of Oman, here this afternoon.

Qian expressed his satisfaction over the development of China-Oman friendly relations since the two established diplomatic ties.

He said that China and Oman share common or similar views on major international and regional issues, and the economies of the two countries are mutually complementary.

Strengthening and further developing friendly relations with Oman is China's established policy, Qian said, adding that regular consultations between the foreign ministries of the two countries have contributed to the development of bilateral relations. He said that his ministry is willing to maintain the consultative system with its Omani counterpart.

Haytham said that Oman cherishes its relations with China, and that it wants to exchange views frequently with China on bilateral relations as well as regional and international issues of common concern.

This morning, Chinese Vice-Foreign Minister Tian Zengpei and Haytham presided over the consultations between the two foreign ministries.

Haytham and his party arrived here yesterday.

#### **Lebanese Army Chief Leaves Beijing for Chongqing**

OW1609190094 Beijing XINHUA in English 1349  
GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Brig. Gen. Riyad Taqiy-al-Din, chief of staff of the Lebanese Armed Forces, and his party, concluded their visit in Beijing, and left here today for the City of Chongqing in southwest China's Sichuan Province.

Taqiy-al-Din and his party arrived here on September 13 as guests of the headquarters of General Staff of the Chinese People's Liberation Army. They are also expected to visit Shanghai, Nanjing and Guangzhou.

#### **Tibet Group Arrives in Nepal for Trade Fair**

OW1709201794 Beijing XINHUA in English 0731  
GMT 17 Sep 94

[Text] Katmandu, September 17 (XINHUA)—An 8-member economic and trade delegation of the Tibet Autonomous Region of China arrived here today for an eight day visit to Nepal.

At the Tribhuvan International Airport, delegation leader Dun Thu, vice chairman of the Tibet Autonomous Region, said they will hold "94" Nepal-China Tibet Economic and Trade Fair" to help further develop the economic and trade relations as well as the long-existing friendship between China and Nepal.

The fair is scheduled to open on September 18.

The Tibetan delegation will hold official talks with the Nepali side on economic and trade affairs from September 19.

#### **Received by Nepalese Prime Minister**

OW2109110094 Beijing XINHUA in English 0940  
GMT 21 Sep 94

[Text] Kathmandu, September 21 (XINHUA)—Nepali Prime Minister Girija Prasad Koirala has said that the economic development of the Tibet Autonomous Region of China would also be beneficial to Nepal.

The prime minister said so when meeting with visiting Tibet economic and trade delegation led by Dun Thu, vice chairman of the Tibet Autonomous Region, here today.

Expressing his welcome to the delegation's visit to Nepal, Koirala recalled that his last visit to Tibet in 1993 had left on him a deep impression about the progress achieved there in various fields.

"As long as I remain in power, I'll do my best to promote the good relations, including the economic and trade cooperation, between our two countries to a still higher level," Koirala assured.

Dun Thu, who conveyed to Koirala the best regards from Chairman of the Tibet Autonomous Region Gyaltsen Norb, said that his delegation's visit here has already produced results, including the successful opening of the one-week 1994 Nepal-China's Tibet economic and trade fair which started on Sunday [18 September].

"We have come to agreement on some main economic and trade issues," Dun Thu said, adding: "The discussion on some details is still going on."

He told the Nepali prime minister that the central government of China has decided to provide some 269.33 million U.S. dollars for 62 new major projects to be finished within 2 to 3 years so as to help speed up Tibet's economic development.

Koirala said that he is glad to be informed of this as the economic development of Tibet Autonomous Region would also benefit Nepal.

The 8-member Tibet delegation arrived here on September 19 and is scheduled to leave on September 24.

#### **West Europe**

##### **Vice Premier Li Lanqing Meets Austrian Group**

OW2109131594 Beijing XINHUA in English 1242  
GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—Vice-Premier Li Lanqing met here today with an Austrian press delegation led by chief-editor Fritz Csoklich of the KLEINE ZEITUNG.

During their meeting in the Diaoyutai State Guesthouse, Li answered the visitors' questions.

The delegation, consisting of chief-editors and deputy chief-editors of five news units in Austria, is here at the invitation of the All-China Journalists Association.

##### **Liu Shuqing Meets Former Iceland Prime Minister**

OW2209111294 Beijing XINHUA in English 1058  
GMT 22 Sep 94

[Text] Beijing, September 22 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs (CPIFA), met with Steingrímur Hermannsson, former prime minister of Iceland, and his party and gave a dinner in their honor here this evening.



This morning, Liu and Hermansson held working talks. The visitors arrived here yesterday as guests of Liu's institute. Besides Beijing, they are expected to travel to Suzhou and Nanjing in east China.

#### **State Councillor Meets Archbishop of Canterbury**

*OW2209073494 Beijing XINHUA in English 0644  
GMT 22 Sep 94*

[Text] Beijing, September 22 (XINHUA)—State Councillor Ismail Amat met here today with Archbishop of Canterbury George Carey from Britain and his wife.

During their meeting at the Great Hall of the People, Ismail Amat and the British visitors held a cordial talk.

The archbishop and his party are here as guests of the China Christian Council and the Three-Self Patriotic Movement Committee of the Protestant Churches of China.

Ding Guangxun, president of the China Christian Council and chairman of the Three-Self movement committee, and Zhang Shengzuo, head of the Bureau of Religious Affairs under the State Council, were present at the meeting.

#### **Britain's Westminster Bank Opens Shanghai Office**

*OW2109161194 Beijing XINHUA in English 1511  
GMT 21 Sep 94*

[Text] Shanghai, September 21 (XINHUA)—The Shanghai Representative Office of the Westminster Financial Market of the London-based National Westminster Bank opened here today.

At a ceremony to mark the opening of the office, Lord Alexander of Weedon, chairman of the bank, said that the establishment of the office marks an important step taken by his bank toward breaking into the Chinese financial market.

The office will provide a whole range of services for Chinese customers, he said.

The reason the Westminster Bank chose to open its first China office in Shanghai is that the city will soon become China's financial center, he explained.

Since China initiated the policy of the reform and opening up the bank has become involved in a number of major programs to raise funds for such sectors in China as power, aviation, hotels and tourism.

The Westminster Financial Market, a subsidiary of the bank, has fixed assets valued at 55 billion pounds sterling, and has offices in Hong Kong, Japan, Singapore, Malaysia, New Zealand and the Republic of Korea.

#### **East Europe**

##### **Reportage on Visit by Polish Prime Minister**

##### **Pawlak Pre-Departure Interview**

*OW2009043994 Beijing XINHUA in English 0418  
GMT 20 Sep 94*

[Text] Warsaw, September 19 (XINHUA)—Polish Prime Minister Waldemar Pawlak said here that economic and trade cooperation between Poland and China

should be boosted steadily at various levels and through many patterns without regard to ideological differences or politics.

In an interview with Chinese correspondents here before leaving for China, Pawlak said that China is one of Poland's important trading partners and has a promising market.

"Extensive and direct cooperation" between Poland and China will benefit both sides, he added.

The Polish prime minister said that his government has always given great importance to the development of friendly and cooperative relations with China, particularly in economy and trade.

Pawlak will head a Polish delegation to China on September 22. The delegation will include government ministers and representatives from industry, including those companies which have had long-standing ties with China.

#### **Visit To Promote Cooperation**

*OW2009035794 Beijing XINHUA in English 0318  
GMT 20 Sep 94*

[Text] Warsaw, September 19 (XINHUA)—Polish Prime Minister Waldemar Pawlak's visit to China will promote economic cooperation between the two countries and become an important event in their relations, a high-ranking official said here today.

Speaking at a press conference on Pawlak's visit to China and Kazakhstan, Polish Minister of Foreign Economic Cooperation Leslaw Podkanski said China is not only an important political partner for his country but also an economic partner with huge potentials.

Therefore, cooperation with China is one of the top priorities for Poland in foreign economic relations, he added.

China's trade with Poland at present accounts for only 0.24 percent of its total foreign trade, ranking Poland 36th among its trading partners, the minister said, noting that there is a wide gap between the current situation and potentials.

Although there are some factors that temporarily restrict trade between the two countries, the minister said, there are great potentials for bilateral cooperation, since each side can supply goods and services the other side needs.

The two sides could cooperate in the coal mining, power, aviation, chemical, pharmaceutical, electronic and automobile industries, light industry, agriculture, food processing and transportation, the minister said. He also hoped that the two countries would promote cooperation in investment and banking.

Pawlak is to visit China on September 22-25.

#### **Arrives in Beijing 22 Sep**

*OW2209071594 Beijing XINHUA in English 0649  
GMT 22 Sep 94*

[Text] Beijing, September 22 (XINHUA)—Waldemar Pawlak, chairman of the Council of Ministers (prime

minister) of the Republic of Poland, and his wife Elzbieta Pawlak arrived here today, starting a four-day official visit to China.

Pawlak is here as guest of Chinese Premier Li Peng.

Chinese Vice-Minister of Power Industry and chairman of the Government Reception Committee Lu Yanchang, and Vice-Foreign Minister Dai Bingguo greeted Pawlak and his party at the airport.

This afternoon, Li Peng is to preside over a ceremony in honor of Pawlak, which will be followed by formal talks between the two prime ministers.

### **Li Peng on NATO Membership**

*LD2209132194 Warsaw Radio Warszawa Network in Polish 1200 GMT 22 Sep 94*

[Text] The PRC has nothing against Poland joining NATO, Chinese Prime Minister Li Peng has told Prime Minister Waldemar Pawlak in Beijing.

[Correspondent Marek Kassa] The Chinese prime minister explained that every state could build its security in accordance with its own decisions. In return, Prime Minister Pawlak made a statement important to China in the context of its international position and relations with Taiwan. He said that to us, the PRC is the sole representative of the nation.

[Begin Pawlak recording] The Polish Government confirms that the PRC is the sole representative of the Chinese nation. [end recording]

[Kassa] Prime Minister Li Peng has accepted with satisfaction Waldemar Pawlak's invitation to pay a visit to Warsaw.

The talks between the two politicians, as well as the negotiations between ministers of the two governments, focused, however, on economic matters. They resulted in the signature of a number of previously prepared agreements. These include agreements on cooperation between the Ministries of Agriculture, Industry, and Construction. An agreement on cooperation in aviation industry development was also signed, as well as an agreement on cultural exchange. The Electrim company has signed a letter of intent with the Chinese power corporation on deliveries of equipment to the value of nearly \$100 million.

### **Further on Hungarian President's Visit**

#### **Meets Li Peng**

*LD1709111594 Budapest Kossuth Radio Network in Hungarian 2000 GMT 16 Sep 94*

[Excerpts] Hungarian President Arpad Goncz has asked the government in Beijing to help Hungarian firms to participate in large infrastructural projects in China. Miklos Lengyel reports.

[Lengyel] President Goncz emphasized this request during his meeting with Premier Li Peng in the government guesthouse in Beijing. [passage omitted]

In his reply, Premier Li Peng stated that China has an interest in the stability of central Europe, including Hungary. He suggested that Hungarian firms should export new and competitive products that can hold their own against American or Japanese rivals. [passage omitted]

I asked Jozsef Hegyhati, deputy state secretary of industry and trade, who also participated in the talks, about Hungary's prospects in the world's fastest growing market. The economic leader of the Hungarian delegation said that he particularly expects a great deal from the business agreement signed by Videoton in Manchuria. Under the deal, the Hungarian firm is to manufacture video walkmen in China under Hungarian licence.

### **Goncz on Ties With Taiwan**

*LD1709093494 Budapest Kossuth Radio Network in Hungarian 0500 GMT 17 Sep 94*

[Excerpts] At the end of his official negotiations in Beijing, Hungarian President Arpad Goncz said at a news conference that although Hungary and China hold different views on human rights, there is a need for cooperation—in the economic sphere, for example. [passage omitted]

Arpad Goncz reaffirmed that Hungary accepts the principle of a united China, but Beijing cannot take exception if our homeland nurtures economic and cultural—in other words, non-state—relations with Taiwan. [passage omitted]

### **Concludes Visit, Departs**

*OW1709181994 Beijing XINHUA in English 1350 GMT 17 Sep 94*

[Text] Guangzhou, September 17 (XINHUA)—Hungarian President Arpad Goncz left here today for his country after a four-day state visit to China.

Goncz and his party arrived here this morning from Xian City.

Guangdong Provincial Governor Zhu Senlin met with the Hungarian visitors and gave a banquet in their honor at noon today.

During their meeting Zhu briefed the visitors on the economic development and the course of the reform and opening-up in the province over the past 15 years.

Goncz said that this trip to Guangdong had left a deep impression on him.

Hungary attaches great importance to its co-operation with Guangdong, the president said, and hopes to enhance its friendly relations with the province and economic exchanges.

Among those saw the Hungarian visitors off at the airport were Yin Dakui, chairman of the Chinese Government Reception Committee and vice-minister of public health, and Zhong Qiquan, deputy governor of Guangdong.



## Latin America & Caribbean

### Reportage on Honduran Foreign Minister Visit

#### Meets Qian Qichen

OW1409105194 Beijing XINHUA in English 1025  
GMT 14 Sep 94

[Text] Beijing, September 14 (XINHUA)—Chinese vice-premier and Foreign Minister Qian Qichen met here today with Honduran Foreign Minister Ernesto Paz Aguilar, who is leading a senior delegation on a visit to China.

Both sides said they would attach greater importance to the development of bilateral relations.

Qian said that the two countries, getting to break the state of long period of isolation from each other, have increased contacts in recent years. Paz's current China visit would play an important role in promoting the understanding and friendship between the two countries, Qian added.

Qian continued that Latin America is a vigorous continent with great potential and prospects, and China attaches close attention to developing the relations with all Latin American countries, including Central American nations.

China and Latin American countries share many common grounds, Qian noted, "Peace and development are our common aspiration, and we have many identical or similar views on major international issues".

Qian went on to say that China and Latin American countries, complementary economically, can enhance their exchanges.

The deepening of China's reform and opening up and the development of Latin American countries' economy have created new opportunities for the cooperation between China and the region, Qian said.

Qian told the guests that China is willing to develop an all-round friendly relationship with all Latin American countries, including Honduras, on the basis of the five principles of peaceful co-existence, recognizing the People's Republic of China as the sole legal government representing the whole China, and Taiwan as an inseparable part of the Chinese territory.

Paz expressed his thanks for the warm reception rendered to him after they arrived in Beijing. "Ours is the first high-level delegation from Honduras to visit China, which will have a historical significance in the development of bilateral relations", the Honduran foreign minister said.

He said that Honduras and China, though far away from each other, are linked up by common goals. "Both sides are striving for building up a fair and secured world", he stated.

He told Qian that his country is resolved to carrying out a self-reliance, practical and flexible foreign policy and hopes to promote its ties with countries around the world.

"Honduras values its relations with China", Paz noted.

Paz and his party began their official good-will visit to China on Sunday. Yesterday Chinese Vice-Foreign Minister Liu Huaqiu held working talks with Paz.

#### Meets Qiao Shi, Liu Huaqiu

OW1409144894 Beijing XINHUA in English 1330  
GMT 14 Sep 94

[Text] Beijing, September 14 (XINHUA)—Head of the Chinese legislature Qiao Shi today described the current China visit by Honduran Foreign Minister Ernesto Paz Aguilar as "the first of its kind in the history of bilateral ties and an important step for pushing forward this relationship."

Meeting with Paz and a senior Honduran Government delegation he is leading, here this afternoon, Qiao, chairman of the Chinese National People's Congress (NPC) Standing Committee, said that over the past few years many far-sighted figures from Honduras have made efforts for the promotion of mutual understanding and friendship between the two peoples and the two governments.

Bilateral economic exchanges and trade as well as personnel contacts have also increased continuously, he said.

Qiao said China places great importance on the Honduran foreign minister's visit, expressing his conviction that the visit will help them to know more about the achievements China has made in its reform and opening-up over the past decade, its prospects and the Chinese people's friendly sentiments toward the Honduran people.

He said, "It is better to see once than hearing a hundred times. The Honduran friends are welcome to come to see China for themselves."

Qiao said that China pursues an independent foreign policy of peace, and desires to establish and develop its friendly co-operative relations with countries all over the world on the basis of the five principles of peaceful co-existence.

This conforms to the fundamental interests of the two sides, he added.

Paz said that the Honduran Government has noticed the changing international situation and readjusted its foreign policy accordingly. It hopes to develop normal relations with countries all over the world on the basis of mutual respect, mutual benefit, independence and non-interference in other's internal affairs.

This is the purpose of his delegation's current visit to China, he added.

Paz said that Honduras holds that this visit is of great significance in developing bilateral relations, and hopes that China will achieve peaceful reunification as an earlier date. This will benefit the people of the whole world, he said.

During the meeting Qiao also briefed the visitors on China's principled stand on the issue of Taiwan and the policies of "one country, two systems" and "peaceful reunification".

Liu Huaqiu, vice-minister of foreign affairs, attended the meeting.

#### **CPC Delegation Leaves for Colombia, Peru**

*OW1909083694 Beijing XINHUA in English 0700 GMT 19 Sep 94*

[Text] Beijing, September 19 (XINHUA)—A delegation of the Communist Party of China (CPC) left here today on visits to Colombia and Peru, at the invitation of Liberal Party of Colombia and Peru Popular Christian Party.

The delegation is led by Zhang Quanjing, deputy head of the organization department of the CPC Central Committee.

#### **Rong Yiren meets Brazilian Minister of Mines**

*OW0709102894 Beijing XINHUA in English 0942 GMT 7 Sep 94*

[Text] Beijing, September 7 (XINHUA)—Chinese Vice-President Rong Yiren said here today that China has always paid much attention to developing its friendship and co-operation with Latin American countries including Brazil.

Rong said this this morning when meeting with Alexis Stepanenko, Brazilian minister of mines and energy, at the Great Hall of People.

Rong said it is of special significance to meet with Stepanenko today, which happens to be the 172nd anniversary of the independence of Brazil.

The vice-president extended his warm congratulations and good wishes to the Brazilian people.

This year also marks the 20th anniversary of the establishment of diplomatic relations between China and Brazil, Rong said, adding that the two countries have enjoyed sustained and smooth development of co-operation in the fields of politics, economy, trade, science and technology and culture.

Rong said that both China and Brazil have abundant resources, and there are good prospects for further cooperation between China and Brazil. Brazil is China's biggest trade partner in Latin America.

He said that as two biggest developing countries in the Eastern and the Western Hemisphere, both China and Brazil face important responsibilities in developing their own economies, and maintaining world peace and development.

Enhanced friendship and co-operation between the two countries will not only serve the basic interests of two peoples, but contribute to South-South co-operation and the cause of peace and development of the whole world, Rong said.

Stepanenko conveyed a letter from Brazilian President Itamar Franco to his Chinese counterpart Jiang Zemin. Rong, expressing thanks on behalf of President Jiang, asked the minister to convey the regards of President Jiang and himself to President Franco.

Stepanenko said his current visit aims at strengthening Brazilian-Chinese relations, exploring new ways and fields for further co-operation with China on a firm basis.

He said that China plays an important role in Asia and in world affairs, and Brazil is firm in developing its friendship and co-operation with China. This, he believed, is of major strategic significance.

#### **Reception Marks 20th Anniversary of Brazil Ties**

*OW1509111694 Beijing XINHUA in English 1059 GMT 15 Sep 94*

[Text] Beijing, September 15 (XINHUA)—A reception was held here today to mark the 20th anniversary of the establishment of Sino-Brazilian diplomatic relations.

Among those attending the reception included Li Peiyao, vice-chairman of the Chinese National People's Congress Standing Committee, Qi Huaiyuan, president of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC), Chinese Vice-Foreign Minister Liu Huaqiu and Joao Augusto de Medicis, Brazilian ambassador to China.

The reception was co-sponsored by CPAFF and China-Latin America Friendship Association.

#### **NPC Vice-Chairman Meets Argentine Visitors**

*OW1209060894 Beijing XINHUA in English 0306 GMT 12 Sep 94*

[Text] Beijing, September 12 (XINHUA)—Li Ximing, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with Juan R. Aguirre, chairman of the Internal and Judicial Affairs Committee of the Senate of Argentina's Congress, and his party here this morning.

The Argentine visitors arrived here September 9 as guests of the NPC's Committee for Internal and Judicial Affairs. Apart from Beijing, they are scheduled to visit Xian and Shanghai.

#### **Guyanese President Receives Forestry Delegation**

*OW0509173894 Beijing XINHUA Domestic Service in Chinese 0043 GMT 3 Sep 94*

[Text] Caracas, 2 Sep (XINHUA)—Georgetown report: Guyanese President Jagan received Chinese Vice Forestry Minister Wang Zhibao on 1 September. He said during the meeting: China's great achievements in socialist modernization have a far-reaching impact in the world. I hope that China will play a greater and greater role in international affairs.

President Jagan said that there are broad prospects for China and Guyana to cooperate in forestry.

A Chinese forestry delegation led by Vice Minister Wang Zhibao was visiting Guyana at the invitation of the Guyanese Government.

**Peruvian President Meets Art Troupe Leader**

*OW1909001494 Beijing XINHUA Domestic Service in Chinese 0815 GMT 13 Sep 94*

[By reporter Wang Quanfu (3769 2938 1381)]

[Text] Mali, 12 Sep (XINHUA)—Peruvian President Fujimori met Liao Hui, leader of the Chinese Nationality Art Troupe and director of the State Council's Overseas Chinese Affairs Office, here today.

During the meeting, Fujimori expressed his profound feelings on China, saying that Peru and China will further develop their relations in the political, economic and trade, and cultural fields.

He praised the Peruvian Chinese and foreign citizens of Chinese origin in Peru for staying harmoniously with the local people and their positive contributions toward Peru's economic and social development.

The Chinese Nationality Art Troupe arrived in Peru on 10 September after visiting Argentina and Brazil.

## Political & Social

### Li Lanqing Speaks at Meeting on Moral Education

OW2209095394 Beijing XINHUA Domestic Service in Chinese 1110 GMT 16 Sep 94

[By Central People's Radio Network reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 16 Sep (XINHUA)—Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier, stressed today that educating and properly bringing up young people and students is a foundation-laying project of the great cause of building socialism with Chinese characteristics, and that moral education in schools has a close bearing on the future of the state and the nation. He said all party committees and governments should strengthen their leadership over moral education in schools, and all education departments and schools should intensify the study and propagation of the "CPC Central Committee Opinions on Intensifying and Improving Moral Education in Schools," earnestly study and formulate a plan for implementing the "opinions," and earnestly examine and sum up the experiences gained in this regard so that all assignments in the "opinions" can be carried out, and so that the foundation-laying project can contribute to bringing up outstanding cross-century personnel and improving the proficiency of the vast number of workers.

The "CPC Central Committee Opinions on Intensifying and Improving Moral Education in Schools" was publicized on 9 September. To implement the "opinions," the State Education Commission and the Beijing Municipal CPC Committee and the municipal government today invited responsible persons within the capital's education circles and teachers' representatives for a meeting in Zhongnanhai.

Speaking at the meeting, Fang Huijian, secretary of the Qinghua University Party Committee; Zhang Xiuxue, secretary of the Chinese Youth Political College Party Committee; Yu Guang, secretary of the Shoudu Teacher Training University Party Committee; Wu Shuqing, president of the Beijing University; Li Lie, teacher of the No. 2 Beijing Experimental Primary School; Liu Yongsheng, headmaster of the Beijing Chongwen District Guangming Primary School; Lu Xianming, secretary of the Beijing Teacher Training University Middle School Party Branch; Qu Hongbo, vice president of the Beijing Dongcheng District Vocational Center; and Xu Ande, secretary of the Beijing Dongcheng District Education Bureau Party Committee, presented their constructive views on how to intensify and improve moral education in schools.

After hearing their views, Li Lanqing pointed out: The publication of the "CPC Central Committee's Opinions on Intensifying and Improving Moral Education in Schools" is a major event with major immediate significance and far-reaching historical significance. We must

seriously study and understand the guidelines laid down in the "opinions," and deeply and earnestly carry out all assignments presented in the "opinions."

Li Lanqing said: The CPC always attaches great importance to moral education in schools. The current policy of seizing the opportunity to deepen reform, open wider to the outside world, promote development, maintain stability, and build a socialist market economic system has created favorable conditions for schools' moral education, and set new and higher requirements for schools' ideological, moral, scientific, and academic education. Meanwhile, moral education in schools has also encountered many new situations and problems. Thus, the important decision which the CPC Central Committee has made on intensifying and improving moral education in schools has far-reaching significance.

Li Lanqing pointed out: The "opinions" are a programmatic document for schools' moral education under the new situation. On the basis of summing past experiences and analyzing the requirements for the new situation, this document has laid down the guidelines for the principles which schools must uphold in conducting moral education, the substance of moral education, and the ways and means for conducting moral education, as well as how to organize the implementation of educational programs.

He said: We should scientifically plan the projects of all educational stages, as well as the ways and means of carrying out these projects, on the basis of the law of the formation of students' thinking and moral sense as well as the requirements and general objectives of social development and the general objectives of moral education. While conducting political and theoretical education, we should give students lessons on basic Marxism and Leninism and Chairman Mao's works. These lessons must be concise and accurate. We must, in particular, educate the students on studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. This should be the central part of the study. We should also take effective measures and lively ways to strengthen students' education in patriotism and contemporary and modern history. We should strengthen education in the national situation, focusing on the current situation, so as to educate students to become patriots who care for and love the motherland and who are willing to dedicate themselves selflessly to the motherland and the people.

Li Lanqing noted: While carrying out education in patriotism among students, we must also educate them on the China's fine traditions and virtues so that they will be cultured and ethical citizens who will inherit and carry forward the nation's fine traditions.

Li Lanqing stressed: The "CPC Central Committee's Opinions on Strengthening and Improving Moral Education in Schools" not only have set assignments and requirements for people working on the educational front, but also for all party members and the public as a whole. People in society must strive to create a good



social environment in which young people and students can grow up healthily. Li Lanqing expressed the belief that the implementation of the guidelines in the "opinions" will encourage all types of schools at all levels to comprehensively implement the educational policy, strengthen and improve their moral education, and do an even better job in accomplishing the task of bringing up ethical, educated, and disciplined builders and successors of the socialist cause who have lofty ideals.

Bai Keming, deputy head of the Central Propaganda Department, and Li Zhijian, deputy secretary of the Beijing Municipal CPC Committee, attended the meeting which was chaired by Zhang Xiaowen, vice minister in charge of the State Education Commission.

### **Li Peng Addresses Institute of State Administration**

#### **Jiang Zemin Writes Inscription**

OW2109145194 Beijing XINHUA in English 1431  
GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—The Institute of State Administration, China's first institute aiming at providing better training for middle- and high-level civil servants, was officially set up here today.

Chinese President Jiang Zemin, Premier Li Peng and some other senior officials wrote inscriptions to celebrate the occasion.

Jiang's inscription read "Always Be the People's Servants"; Li's was "Train a Team of Civil Servants With Knowledge and Efficiency, With the Sole Purpose of Serving the People and Meeting the Needs of the Socialist Market Economy."

Li delivered an address during the opening ceremony here today.

He said that the institute was set up to meet the needs of China's modernization drive and the establishment of a socialist market economy system. It is the product of reform and opening-up, and an important measure taken by the Chinese Communist Party Central Committee and the State Council to match the reform of the personnel system and the carrying out of a state civil service system.

According to Li, the main task of the institute is to train middle- and high-level civil servants. It will be an important base for the training of administrative management staff. It will play an important role in raising the quality of the civil service contingent.

Li pointed out that in the current domestic situation the government is faced with many new issues, some of which are complicated and need careful research and solution. It is necessary to train a civil service team with intelligence and ability at various government levels.

It is important to set up a faculty with talent and integrity. The institute will invite part-time teachers and officials from concerned ministries and commissions to give lectures.

It will train middle- and high-ranking civil servants, especially young and talented government employees from the middle level. It will also choose some talented college graduates to receive training and send them to government departments under county level to work temporarily.

Li also emphasized the importance of new methods in running the school and also of learning from the good experience of other countries.

It is learned that the institute was initiated on an experimental basis at the 13th national congress of the Chinese Communist Party in 1987 and approved at the First Session of the Seventh National People's Congress in 1988.

During the past six years the institute has trained 1,400 students through 30 training sessions.

#### **Further on Address**

OW2209052994 Beijing XINHUA Domestic Service in  
Chinese 1047 GMT 21 Sep 94

[By Central People's Broadcasting Station reporter Luo Guanxing (5012 6034 2502) and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 21 Sep (XINHUA)—The Institute of State Administration [ISA], which will train middle and high-level civil servants, was formally established in Beijing today. Leading comrades, including Jiang Zemin, Li Peng, Qiao Shi, and Liu Huaqing, wrote inscriptions to celebrate the occasion.

Jiang Zemin's inscription read: Always be the People's Servants; Li Peng's was: Train a Team of Civil Servants With Knowledge and Efficiency, With the Purpose of Serving the People and Meeting the Needs of the Socialist Market Economy; Qiao Shi's was: "Develop the ISA Into a Civil Servants' Training Base in Line With National Conditions, Realities, by Having the Whole World in View and Adopting an Open Policy Toward the Operation of Schools"; Liu Huaqing's read: "Train Outstanding Management Personnel for the Socialist Modernization Drive".

In addition, Li Peng inscribed the school name for the institute. Zou Jiahua, Qian Qichen, and Li Lanqing wrote separate inscriptions.

Li Peng, Li Lanqing, Li Guixian, and Luo Gan attended an inauguration ceremony for the institute held in Zhongnanhai this afternoon. In his speech, Premier Li Peng said: The institute was set up to meet the needs of China's modernization drive and the establishment of a socialist market economy system. It is the product of reform and opening up, and an important measure taken by the CPC Central Committee and the State Council to match the reform of the cadre personnel system and the operation of a state civil service system. Therefore, the establishment of the ISA is a matter of profound significance. He said: The main task of the institute is to train



middle and high-level civil servants. It will be an important base for the training of modern administrative management staff and will play a very important role in raising civil servants' quality, for the training of a team of honest and competent civil servants with the purpose of serving the people and meeting the needs of the socialist market economy."

Li Peng pointed out: Currently, China's socialist modernization drive has entered a new stage. With the guidelines of the 14th CPC National Congress and Comrade Deng Xiaoping's important speeches, China has achieved political stability, economic development, social progress, and national unity. The international situation has also offered an opportunity for us to accelerate development. In such circumstances, the government is faced with many new issues and situations, some of which are complicated and need careful research and solution. Currently, civil servants at all levels urgently need education and training, so that their knowledge and ability to deal with government affairs in a new situation and under new conditions can be improved. The ISA should play its role in this basic project related to the building of political power.

Li Peng said: To implement this glorious and arduous task, we should adhere to making Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics the mainstream, the work should revolve around the establishment of a socialist market economy, and it should focus on teaching economic management, administration, leadership, building the legal system, and so on. We should organically integrate theoretical principles with practical applications in all teaching activities, be pioneering, attach importance to effectiveness, and implement an open policy in operating schools, so that all these teaching activities will bear their own characteristics.

He said: We should attach great importance to building a contingent of faculty with talent and integrity, which is composed of full-time and part-time teachers with part-time teachers as the mainstay; and invite leading comrades from concerned ministries and commissions to give lectures. This represents not only support for the institute, but also an opportunity for comrades of various departments to systematically sum up their work experiences. We should be concerned about, love, and support teachers politically and in terms of material benefits in their lives and work. We should develop a fine practice of respecting teachers and knowledge. The institute's organs and staff should be small in number but highly efficient. It is necessary to adopt socialized management in logistic services.

Li Peng said: We should make a success of training high and middle-level civil servants. Particularly, we should carefully select some young and talented middle-level cadres to receive training at schools. Meanwhile, the institute should also choose some talented college graduates to receive training at schools and send them to government departments below county level to work

temporarily, so as to train the mainstay of professional ranks and reserve forces for government organs. The institute will not only train personnel, but seek and recommend qualified personnel as well.

Li Peng emphasized: Operating the Institute of State Administration is a brand new undertaking. We should continue to explore and create. We should carry forward our party's fine tradition and accumulated successful experiences in training and educating cadres, be bold in blazing new trails in line with the new situation and tasks, learn from other countries' good experiences, and blaze a trail in practice for the training of civil servants with Chinese characteristics.

It has been learned that establishing the ISA was a decision of the 13th CPC National Congress and the First Session of the Seventh National People's Congress. In July 1988, an administrative meeting chaired by Premier Li Peng finalized the policies and principles of building the institute. Over the past six years, under the guidance of a group making arrangements for the construction of the institute, the institute's entire teaching faculty and staff have overcome all kinds of difficulties and done a great deal for the construction of the institute. Even while under construction, it has been providing training classes. It has trained about 1,400 students through sponsorship of 30 terms of various training classes.

Also speaking at the inauguration ceremony were State Councillor and ISA President Li Guixian and responsible people from relevant central party and government departments and the Beijing municipality.

#### **Li Ruihuan Attends CPPCC Anniversary Fete**

*OW2109131494 Beijing XINHUA in English 1249 GMT 21 Sep 94*

[Text] Beijing, September 21 (XINHUA)—More than 80 people gathered here today to celebrate the 45th anniversary of the founding of the Chinese People's Political Consultative Conference (CPPCC).

Li Ruihuan, chairman of the National Committee of the CPPCC and member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), said that the past 45 years have proved that the CPPCC has a great vitality and a bright future.

The chairman hailed the CPPCC as a major pioneering undertaking and a major characteristic of China's socialist democracy.

He pointed out that the CPPCC is different from the people's congress, or any party or social organization. It is also different from foreign parliaments.

On this day 45 years ago the first plenary session of the CPPCC was convened here and passed the common program and the temporary constitution, and elected the central people's government. Exercising the functions and powers of the country's highest legislative body, the CPPCC proclaimed the founding of the People's Republic.

The CPPCC still plays a significant role in China's political, economic and social life as a leading body of China's widest patriotic united front and an important way to exercise socialist democracy since the first National People's Congress opened in 1954.

There are now more than 2,800 CPPCC organizations at all levels throughout the country, and the number of the CPPCC National Committee members has increased from 180 in 1949 to 2,093 at the Eighth CPPCC National Committee. The CPPCC local committees have a total of 350,000 members.

Bo Yibo, a representative to the first plenary session of the CPPCC, noted at today's meeting that the CPPCC has made great contributions to the establishment, consolidation and development of New China.

The people's congress system and the system of multi-party cooperation and political consultation under the leadership of the CPC will continue and further develop, he stressed.

The meeting was chaired by Ye Xuanping, a vice-chairman of the CPPCC National Committee.

### Li Tieying On Grasping Deng's Theory

HK2209094494 Beijing JINGJI CANKAO BAO in Chinese 15 Aug 94 pp 1, 2

["Excerpts" of Li Tieying speech delivered at the annual meeting of the Society for Research on Restructuring the Economic System Economy in Haikou 17 May: "Speeding Up the Establishment of a New Socialist Market Economic Structure—Studying Comrade Xiaoping's Theory of Building Socialism With Chinese Characteristics"]

[Text] After the annual meeting in Changsha in 1987, I am now attending the annual meeting of the Society for Research on Restructuring the Economic System for the second time. I would like to avail myself of this opportunity to make some suggestions about how to grasp Comrade Xiaoping's economic ideas and how to quicken the pace in establishing the new system.

#### I. Correctly Understand the Current Situation in Economic Growth and Reform

Practice during the past 15 years has fully proved that reform and opening up is a powerful motive force for the promotion of economic growth. It has thrust China's economy onto the phase of rapid increase in which a situation has basically taken shape whereby the country's economy is upgraded every several years.

The important speeches made by Comrade Deng Xiaoping during his inspection tour in the south of China and the convening of the 14th party congress indicate that China's economic reform has entered the stage of the overall establishment of a new system. In figurative terms, the old house has been dismantled and it is now time to construct a new building. This profound change in the overall reform process is naturally reflected in every major aspect of the reform. The microeconomic

reform of enterprises has begun to shift from the policy of tax reduction and profit concession to a deeper establishment of new systems. In the field of price reform, the shift is from price liberalization to the marketization of the prices of major factors of production. The focus of the establishment of a market system has shifted from the commodity market to the production factors market. As regards the macroeconomic regulation and control, the emphasis has begun to shift from administrative means to reliance on economic, legal, and necessary administrative means. In a word, China's reform has entered a stage of deeper reform to straighten out the basic economic relations (between the state and enterprises and between the central government and local governments). In both breadth and depth the reform this year is without parallel in the past. The State Council and the local governments are conscientiously carrying out the "Regulations for Changing the Operational Mechanisms of State-Owned Enterprises" and accelerating the preparatory work to conduct tests at selected points for the establishment of a modern enterprise system. The macroeconomic reform measures concerning finance, taxation, banking, and foreign exchange have been enjoying basically smooth operations since their promulgation. The comprehensive reform tests in the cities and at the county level are also being implemented without a hitch. Therefore, we have a satisfactory situation for reform. Our comrades working on the restructuring front should have a correct understanding of this overall trend of reform, keep up with the pace of development, and successfully accomplish the various reform tasks according to the unified plan by the central authorities.

It goes without saying that in the economic life and economic reform some problems exist which call for serious tackling. Among these the prominent ones are: Losses incurred by enterprises, shortage of funds, mutual arrears of payment, excessive rise in retail prices and the consumer price index, a continuous high inflation rate, over-investment in fixed assets, and the continued existence of an inherent investment expansion mechanism.

The purpose of pointing out these problems is two-fold: To keep sober-minded and to work hard in studying and coming up with solutions to these problems. The difficult points and the hot spots in the course of economic development constitute the focal points of reform. Therefore, it is our view that reform means the solution of various problems in our system which hinder economic development and this solution will liberate and develop the productive forces. Here lies the profound significance of Comrade Deng Xiaoping's remark: "Reform is the second revolution in China."

#### II. The Foremost Task on the Restructuring Front Is To Persist in Arming Our Minds With Deng Xiaoping's Theory on Building Socialism With Chinese Characteristics

A summing-up of the tremendous achievement in reform and opening to the outside world in the past 15 years can

boil down to one point, that is, we have been taking a socialist path with Chinese characteristics under the leadership of the party Central Committee and the State Council and under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics.

In his theory of building socialism with Chinese characteristics, Comrade Deng Xiaoping's idea on the economy spells out an important component part. Comrade Deng Xiaoping has made lots of scientific expositions on many issues in China's economic development and reform. These expositions find a concentrated reflection in economic development, in economic reform, and in economic and social stability.

#### On Economic Development

—Comrade Deng stresses: Development is the last word. It is necessary to put the development of productive forces in the most important position and take economic construction as the center. He emphasizes the need to seize the opportune moment to develop ourselves, quicken the national economic development, and strive for a remarkable upgrading of the economy once every several years. Yet, this development must not be too quick or too hurried. We must properly handle the relationship between speed and ratio. We must pay particular attention to economic effects and to the overall social effects. We should realize, as soon as possible, the three-stage strategic target of China's social and economic development through reform.

—He stresses that reform means a revolution and an inevitable road to the liberation and development of productive forces and to the realization of modernization. Science and technology are the primary productive forces. Economic development must rely upon scientific and technological progress and the improvement of the quality of the labour force.

—It is necessary to open up to the outside world and be bold in absorbing and learning from all the achievements of civilization of the whole of mankind. We should import the advanced technology and management expertise from the capitalist countries. He has put forward the policy that allows part of the people to become rich earlier than the others. He makes clear and affirms the pioneering work of setting up special economic zones and opening up the coastal regions.

—He stresses the need to rely mainly on our own efforts, proceed from China's practical conditions in taking our own road instead of mechanically copying the experience and models of other countries.

#### On Economic Reform

—Comrade Deng underlines the point that our reform is not the modification of some minor details of the existing system. We must "change these systems from the very foundations." Reform is the second revolution, which does not mean a negation of socialism. It is self-perfection and development of the socialist system.

—The purpose of reform is to fundamentally change the economic system which hinders the development of the productive forces, to establish a socialist economic system full of vigour and vitality, to free and develop the productive forces, and to eliminate exploitation of man by man. Its purpose is to do away with polarization and to finally achieve common prosperity. He emphasizes the need to take the "three favorables" as the criteria to judge whether the reform is a success or failure.

—A planned economy is not tantamount to socialism and a market economy is not tantamount to capitalism. Both the plan and the market are economic means. Socialism can also adopt a market economy. This is the most significant breakthrough in China's socialist economic theory.

—We should be bolder in carrying out reform and opening up. We should by all means avoid useless argumentation. We should be bold in experimenting and in blazing new trails once we are sure we are doing the right thing. We should fully respect the initiative of the people and bring into full play the enthusiasm of everybody. The success of our reform and opening up does not hinge on the result of some doctrines printed in books but on practice and seeking truth from facts.

—Comrade Xiaoping has emphasized on many occasions the need to correctly handle the relationship between reform and opening up, between reform and development, and between reform and social stability. China must persist in reform and opening up, which is the only hope for China to solve its numerous problems. But, to carry out reform, there must be a stable political environment. In China today what is of overwhelming importance is the maintenance of social stability. Without a stable environment we can achieve nothing and even that which has already been achieved will be forfeited.

—We should uphold the basic line without swerving for 100 years. In reform we must uphold socialism. Education in the four cardinal principles should be strengthened, as this is the fundamental guarantee for the healthy development of our cause. The core of the stability issue is to adhere to the four cardinal principles.

—We should persist in paying attention to both material progress and ideological progress. In the whole course of reform and opening to the outside world, we should guard against corruption. We will achieve nothing if we open up and try to create the so-called investment environment at the expense of social advancement, cultural tradition, and spiritual civilization. On the contrary, it will lead to social retrogression. It cannot be a success in China nor is there any successful precedent in the world.

These important theories put forward by Comrade Deng Xiaoping are the theoretical basis and the guide to action in promoting China's reform and modernization cause.



They are a succinct summary of the experiences of the ever-deepening process of the great reform. This idea is planted firmly in the practice of socialist construction, reform, and opening up and is constantly developed and perfected in the course of practice. It has strong vitality and far-reaching guiding significance. These expositions have drawn a blueprint for the formulation of a new system and at the same time have pointed out the specific approaches for the realization of this new system. While demonstrating to us the rich ideological content, they have provided us with concrete methods for us to study and solve problems. For those working on the restructuring front, it is the foremost task and duty to arm their minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics.

The expositions on economic work made by Comrade Deng Xiaoping are characterized by succinct language but they contain great background and extensive and profound ideological contents. We cannot expect to have a good command of his theory by reading it once or twice. Those working on the restructuring front should devote substantial efforts to studying the original works and thus grasp the essence of his thought. With this as a guide, and in close coordination with the current practice of the deepening reform, they should study new developments and solve new problems. In this way, their ability can be improved in terms of prediction and creativeness. Only in this way can reform be carried out healthily and can the new system be established.

### III. Studying and Solving New Developments and Problems Arising in Economic Reform and Development

In a certain sense, the process of reforming the old system and establishing a new system is a readjustment of the structure of power and interests in the course of transforming the social structure. To practice market economy under the conditions of socialism is an unprecedentedly great and complicated new topic. Along with the promulgation of a series of new measures of reform, we will come across lots of new developments and new problems which require prompt investigation and solution. Those working on the restructuring front should dedicate most of their efforts to the investigation of new circumstances and to the solution of new problems. I have repeatedly emphasized that the difficult points and hot points in the course of economic development constitute the focus of reform. Now, in light of the practice of current economic reform and economic development, I would like to put forward some important topics of research which can serve as reference for those working on the restructuring front, including the comrades in the Society for Research on Restructuring the Economy.

1. Straighten out the relations between ownership and management in state-owned enterprises and promote fostering a modern enterprise system.

The "Decisions" adopted by the Third Plenary Session of the 14th CPC Central Committee has defined the direction of reform as to shift the operational mechanism of state-owned enterprises and to set up a modern

enterprise system. However, the setting up of a modern enterprise system requires a whole process and involves the matching reforms in many other fields. There are at least five related problems calling for solution. The first problem is how to accurately evaluate the assets, define the property rights, and how to define the title of legal entities to the property. The second problem is how to solve reasonably the heavy burden laid by history on state-owned enterprises, including debts, overstaffing, and the welfare facilities funded by the enterprises. The third issue is how to combine the system change in state-owned enterprises with the reform of the assets management system and the rational readjustment of the structure of state-owned assets. In other words, we should invigorate the stock of state-owned assets and, at the same time, guide a rational distribution of the amount of increments, thus effectively protecting the state assets from multichannel losses. The fourth is how to coordinate the establishment of a modern enterprise system with the change of government functions, the development of a market system, and promotion of the social insurance system. The fifth problem is how to set up and improve the internal management structure and leadership system within the enterprises. For these five problems, some have got a clue to their solution and in some regions experiments are being made in this direction. However, generally speaking, it is still imperative for further study for specific policies and measures.

2. Foster a market system and develop the intermediate organs of the market.

As a result of the great efforts made in the past 15 years, there is now a sound foundation for the development of China's commercial market. Along with the growth in the market economy, the focus point in fostering the market system has shifted to the market of the means of production. In the meantime it is gaining in importance for us to set up and improve the intermediate organs for the market, and to perfect the order and regulations of market competition. The system-reforming departments in governments at all levels should conscientiously study the following problems and put forward practicable proposals. How to foster the means of production market and a proper amount of intermediate organs for the market in a planned way under the macroeconomic regulation and control of the state and in accordance with the specific conditions in different places? How to study and clarify the relationship between the establishment of a visible market and the development of an invisible market in accordance with the characteristics of various production elements? Into what categories should the market intermediate organs fall and what kinds of qualifications and legal norms should they have to meet the demands for the development of production? What economic and legal measures should the governments at various levels adopt to establish sound order and regulations for market competition? What warrants special attention here is that, while developing the means of production market or establishing intermediate organs, we should guard against the unhealthy tendency

to pay more attention to form than to content and to rush headlong into mass action.

3. Try to find the internal laws governing economic development and to realize a sustained, rapid, and healthy development of the national economy.

In recent years, with the promotion of the open-reform drive, China's national economy has been enhanced to a higher level once every several years and, on the whole, the country has maintained a rather high rate of increase. However, in this process, several obvious fluctuations have appeared, giving rise to a series of questions. For example, is it a rule that economic development should have periodic fluctuations? How do we effectively prevent sharp fluctuations in economic development so that we can maintain a sustained, rapid, and healthy development? The key link here is to investigate how to establish a macroeconomic regulation and control system which mainly employs indirect means of control and to overcome the traditional planned-economy ideology and the direct-control means which mainly rely upon administrative decrees. This is an issue concerning the overall situation. Therefore, we should work conscientiously in studying the issue and find a satisfactory solution to the problem using a practical and feasible approach.

4. Stabilize the production of grain and cotton, arouse the enthusiasm of the peasants, and rationally deploy the surplus labour force in the rural areas.

In the past few years, a number of new problems have emerged in agricultural production and in rural economy. Among these problems, the most prominent one is how to stabilize grain and cotton production and how to change the awkward situation in which the production of grain and cotton provides less profit. In the final analysis, the rural problem is an issue of how to develop the rural economy and to raise the income of the rural people. This issue also involves another problem a. that is, how do we straighten out the grain-cotton purchase-marketing system and rationalize the price of agricultural means of production. It also involves how to develop a proper scale of production while persisting in the system of contract responsibility on a household basis with remuneration linked to output. If we regard the contract responsibility system as the first stage of reform in China's rural areas, then the second stage is the boom in rural enterprises. The focus of the third stage should include the following points: While developing the socialized service system in the countryside, we should make full use of and transform the existing small towns, establish new small towns, gradually reform the household registration system in urban areas, and propel the transfer of the surplus rural labour force. We must be clear about the point that the emergence of millions of small towns represents the new starting point for the commercialization, industrialization, and modernization of the rural areas. Let us study these issues in depth and try to find an approach with Chinese characteristics

for the development of agricultural production, the prosperity of the rural economy, and an increase in the peasants' income.

5. Correctly handle the relations between reform, development, and social stability.

A correct handling of the relations between reform, development, and social stability constitutes a basic experience underlying the tremendous achievements China has reaped in the last 15 years. Reform is the fundamental motive force for economic development. By means of reform, we can remove the system obstacles which hinder reform of the productive forces and thus overcome the contradictions and difficulties arising in our economic life. Maintaining social stability is an inevitable condition for the development of the economy and for the smooth implementation of reform. Confronted by a new situation, in order to properly handle the relations between reform, development, and stability, it is necessary to study earnestly and find a suitable development rate, appropriate reform measures, the proper strength of reform, and the opportune time for promulgation of reform measures. We should also study a series of important issues, such as how to strictly control inflation and to quicken the pace in reforming the social protection system.

#### **Xiao Yang on Law Education in Counties**

HK2109070294 Beijing FAZHI RIBAO in Chinese  
26 Aug 94 pp 1, 2

[Speech by Minister of Justice Xiao Yang at "National Work Conference on Exchanging Experiences in Legal System Propaganda and Education Work Among 100 Counties (Cities)" 25 August 1994; place not given]

[Text] Comrades:

The National Conference on Exchanging Experiences in Legal System Propaganda and Education Work Among 100 Counties (Cities) [hereinafter counties], which was jointly convened by the Central Committee's Propaganda Department and the Ministry of Justice, is a major conference whose convening has been approved by senior leading comrades of the Central Committee and the State Council. It is a conference of major significance convened at a crucial period when our country is engaged in deepening reform, expanding opening up, and establishing a socialist market economy system.

The major tasks of this conference are: Taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as our guidance, to study and implement the spirit of the Third Plenary Session of the 14th CPC Central Committee, the Central Rural Work Conference, the National Propaganda and Ideological Work Conference, and the National Conference on the Comprehensive Management of Social Order in the Rural Areas, to sum up the experiences of counties throughout the country in developing legal system propaganda and education work since the implementation of the Second Five-Year Legal System Popularization Program and to



study how to strengthen legal system propaganda and education work at the grass-roots level under socialist market conditions and further create a fine legal system environment for reform, opening up, and economic construction. Below, I will discuss several ideas.

**I. The Basic Situation in Legal System Propaganda and Education Work in Counties Throughout the Country Since the Implementation of the Second Five-Year Legal System Popularization Program**

Since the implementation of the Second Five-Year Legal System Popularization Program, the majority of counties throughout the country have seriously carried out the overall demands of legal system propaganda work by taking the constitution as the core and the various specialized laws as the focal points, promoting the management of various undertakings in accordance with the law. They have respected the principle of combining study and application and the principle of studying law in order to apply it. They have upheld, as their foothold, promoting management in accordance with the law in all aspects of work in the urban and rural areas of the counties. Tightly linking up with the comprehensive management of social order in the urban and rural areas, the development of a market economy, government administration in accordance with the law, neighborhood construction in urban areas, and the "hotspots" and "difficult" problems in urban and rural areas in various periods they have, in a targeted way, developed legal system propaganda and education and achieved pleasing results.

—The overall development of the work of management in accordance with the law. The work of management in accordance with the law in the urban and rural areas of counties throughout the country has continually developed from points to lines and then from lines to planes. It has always formed a powerful force. Propaganda on the legal system has always been an important component part of the work of management in accordance with the law and the comprehensive management of social order. Up until June this year, throughout the country over 1,200 counties have developed the work of managing their counties in accordance with the law. The management of all industries and trades in accordance with the law and the management of factories, shops, neighborhoods, and villages in accordance with the law in urban and rural areas, also saw further development. A large number of advanced models appeared in the work of management in accordance with the law, where "organizational systems are in accordance with the law, villages are managed in accordance with the law, and there is democratic management." One such area was Zhangqiu in Shandong. It is pleasing that some areas have developed from where villages have been managed and neighborhoods have been run in accordance with the law, to where the province or the city are managed in accordance with the law, and these activities spread to all departments and units. One example is Beijing Municipality which has recently

put forward as the slogan of the people: "Managing the City In Accordance With the Law." Management in accordance with the law is the inevitable result of the deep development of legal system propaganda and education, while it also puts forward new and higher demands on legal system propaganda and education.

—Legal system propaganda work promotes the work of comprehensive management of social order in urban and rural areas. Legal system propaganda and education plays a very important role in the comprehensive management of social order. The major party and government leaders of the broad number of counties throughout the country have consciously carried out their political responsibility in "ensuring the area's security" and in actual work, they have fully brought into play their positive role in legal system propaganda work, seriously grasped well the various types of major targets and major personnel in legal system propaganda and education work, and raised their consciousness and vigilance in observing the law. Thereby, personnel who had violated the law and committed crimes recognized their own errors and sought out their ideological origins. At the same time, in respect of the various centralized attacks and specific struggles, they have engaged in centralized and targeted legal system propaganda and education, created good public opinion in respect of the legal system, increased the power of the strikes, and thereby educated the people and shook up criminals.

—Legal system propaganda and education guarantees and promotes the development of the market economy in urban and rural areas. Since the Third Plenary Session of the 14th CPC Central Committee, in accordance with the demand to establish a socialist market economy system, the broad number of counties, following the unified arrangements by the law popularization management organs throughout the country and centered around economic structural reforms, the establishment of a modern enterprise system, and the implementation of banking, financial, tax, foreign trade and foreign exchange reforms, have targeted the invigoration of enterprise operations, speeding market circulation, and developing high quality and efficient agriculture in the urban and rural areas of counties. They have thereby done well in the comprehensive development of agriculture and placed stress on the work of grasping propaganda and education in respect of laws and regulations relating to the socialist market economy. These include the "Agriculture Law," the "Law on Industrial Enterprises Owned by the Whole People," "Regulations on Changing the Operational Mechanism of Industrial Enterprises Owned by the Whole People," the "Company Law," the "Budget Law," the "Product Quality Law," the "Consumers' Rights and Interests Protection Law," the "Anti-Trust Law," the "Foreign Trade Law," and other laws and regulations. Special priority has been assigned to the study of these laws and this has powerfully promoted

the healthy development of the socialist market economy in the urban and rural areas of the counties.

- Legal system propaganda and education work has promoted administration in accordance with the law by the government and guaranteed and promoted the implementation of state laws and regulations at the county (city) [hereinafter county] level. Administering in accordance with the law reflects the objective demands of the socialist market economy in respect of the administrative activities of government departments. In order to overcome the problems of supervision over administrative law enforcement, the various areas have seriously grasped well legal system propaganda and education for government departments and especially for administrative law enforcement personnel. In the practice of legal system propaganda and education, they have also gradually discovered some quite successful experiences and practices in promoting administration in accordance with the law. For example, Huanggu District in Shenyang City has implemented departmental law enforcement responsibility systems and assigned law enforcement tasks and targets to individual posts to ensure that each post fulfills its responsibilities and to improve the law enforcement environment. Xinji City in Hebei Province has placed stress on the grass-roots level and extended the range of the law enforcement responsibility system from the law enforcement departments of the city government down to townships and villages. Through improving its legal system work, Taixian county in Jiangsu Province has formulated and perfected various standardized documents and carried out strict supervision and inspection of law enforcement work, thereby ensuring that the administrative actions of the government are strictly contained within the scope allowed by laws, regulations, and rules.

- Legal system propaganda work promotes the construction of neighborhoods in the urban areas of the broad number of counties. Following the continual development of the socialist market economy, there has been rapid development in the construction of neighborhoods in urban areas. At the same time, this has revealed many problems, such as the arbitrary occupation of arable land, chaotic private construction, pollution of the environment, and destruction of the ecological balance. The various areas, in their legal system propaganda work, have placed stress on and targeted the problems which existed in urban area neighborhood construction and, in a targeted way, engaged in propaganda and education in respect of the "Urban Planning Law," the "Environmental Protection Law," and other laws and regulations, adopting real measures. In rectifying and resolving the actual problems which existed, they have achieved good results.

- Legal system propaganda work promotes the resolution of "hot spot" and "difficult" problems of concern to the masses. For example, areas have targeted problems in

family planning, in city sanitation and appearance, in the sweeping away of evil and striking at evil elements, and in dealing with fake and poor-quality products, as well as problems which frequently occur in the rural areas in respect of land disputes, residential land disputes, and forestry disputes. They have also seriously done well in respect of relevant family planning regulations, urban planning and urban city sanitation and appearance, and in deciding on punishment for crimes involving the use of false trademarks and the production and sale of poor quality products. They have further done well in respect of propaganda and education on land management laws, forestry laws, and other laws and regulations and, on the basis of legal system propaganda and education, resolved the real problems which exist, thereby achieving quite good results.

Seen from the practice by which the broad number of counties throughout the country have carried out legal system propaganda and education, and management in accordance with the law, the successful experiences obtained in legal system propaganda and education work and management in accordance with the law are as follow: 1) The major leading cadres of the counties have given attention to popularization of the law and regularly and unflinchingly placed legal system propaganda and education in an important position. 2) The enthusiasm of the organs which manage legal system popularization and specialized legal management has been fully mobilized, their various superiorities have been brought into play, and they have formed a joint force and together completed the task of specialized study of the law. 3) Legal system propaganda and education has been tightly combined with the practice of democracy and the legal system. 4) The legal system propaganda work has always upheld the goal of serving economic construction, serving social stability, and serving core work, maintaining the vitality and vigor of legal system propaganda work. 5) Legal system propaganda and education is an effective route by which to normalize and systematize positive exploration. It formulates standards and forms systems to ensure that legal system popularization work is developed in a deep and sustained way. 6) Measures have been adopted and implementation firmly grasped to change the soft tasks of legal system popularization into hard work targets, so that through target-completion inspections the due effectiveness of the legal system popularization work can be ensured.

Looking back on the implementation of the Second Five-Year Legal System Popularization Program over the last four years, legal system popularization and the work of management in accordance with the law have, overall, realized quite a few achievements and many experiences have been accumulated. At the same time, we must recognize that the development of county legal system popularization work throughout the country has been uneven. Some regions have not grasped the work sufficiently tightly, have given it insufficient attention, and have just gone through the motions. In some other

areas, there have been dead ends and they have not implemented any of the program's requirements. Under the new historical conditions, the building of a socialist legal system and the building of a market economy has put forward higher requirements on legal system propaganda and education work. As long as legal system propaganda and education work seriously resolves the various problems which reveal themselves through progress, and continually reforms and innovates, it will be able to accord with the demands of the development of the situation.

## **II. The Important Position of County Legal System Propaganda and Education Work in the New Period**

Under the new conditions of establishing and developing a socialist market economy, and at a crucial period in our country's reform and opening up as we reach the end of the Second Five-Year Legal System Popularization Program, how we should understand the major significance of county legal system propaganda and education work in the new period has become a question which presses for an answer in the current deepening of county legal system popularization work.

On the question of the relationship between legal system work and the central task constituted by economic construction, some comrades hold that now that the party and the state have taken economic construction as the center, developing the economy is the major task of counties. Thus, legal system popularization work can be relaxed a little. This is a short-term viewpoint which will not only affect the development of legal system popularization work in counties but will obstruct the overall tasks in county work.

Everyone knows that county work is the most important basis in our country's economic invigoration and social stability. The problems of agriculture, the rural areas, and of peasants have always been basic questions which affect the overall interests of our party and our people. In all aspects of county work, legal system propaganda and education work is important work affecting the standardizing of people's actions, social lives, and economic development. It is also part of the overall work of counties. Doing well in county legal system propaganda and education work is an important and indispensable part of doing well in county work. Since the implementation of the First and Second Five-Year Legal System Popularization Programs, our country's county legal system propaganda and education work has realized great achievements. This has played a positive role in strengthening the legal consciousness and legal concepts of the broad masses of people in the counties, in safeguarding urban and rural public order and social stability, and in guaranteeing and promoting the smooth carrying out of urban and rural economic structural reform and the healthy development of the rural economy. As some county heads from counties in southern Jiangsu have told me, the thriving development of the economy requires a certain element of legal system popularization.

That is to say, the smooth carrying out of economic structural reform in the urban and rural areas and the vital development of the urban and rural economy involve, as part of their success, legal system popularization work, and this component is quite important. The practice of some counties in southern Jiangsu and the Zhujiang River Delta prove that in the counties in which legal system popularization work is done well the society is stable and the economy has seen development. Under the present new conditions where a socialist market economy is being established and developed, the role of the county legal system propaganda and education work is becoming increasingly large and its position is becoming increasingly important. The establishment and development of a market economy in the urban and rural areas requires legal system propaganda and education work. Doing well in rural social order and safeguarding the social stability of urban and rural areas needs legal system propaganda and education work. Strengthening the building of democracy and the legal system in the rural areas, the building of grass-roots organizations, and the building of spiritual civilization require, even more, legal system propaganda and education work. Only by grasping well county legal system propaganda and education work, the work of management in accordance with the law, and the work of comprehensive management of social order, will urban and rural modernization have reliable guarantees. Thus, county legal system propaganda and education work is not something which is an option. It is indispensable. It is not something which is unworthy of doing but rather something with bright prospects. It can only be strengthened and must not be shaken or weakened in any way.

In looking at the relationship between legal system popularization work and county economic and social management work, some comrades hold that economic and social management work is a hard task while legal system popularization work is a soft task. Hard tasks are easy to grasp while soft tasks are difficult to grasp. This viewpoint separates legal system propaganda and education work from county economic social and management work and is a misunderstanding of the role of legal system propaganda and education work. Actually, county and township governments are important grass-roots political power units. Social and economic management in urban and rural areas cannot be separated from legal measures and actually relies on legal system propaganda and education work. Legal system propaganda and education work is a long-term task, and runs right through management in accordance with law by counties. In this sense, legal system propaganda and education work is a hard task. As to the category under which legal system propaganda and education belongs, it comes under the category of ideology but, in the work of comprehensive management of social order, management in accordance with the law and administration in accordance with the law, it becomes a hard task and becomes real, down-to-earth work. Thus, we certainly must not see county legal system propaganda work as a



soft task, the grasping of which is optional. Comrade Xiaoping has always stressed that we must "grasp with both hands and we must have a firm grip with both hands." He requires that leaders at all levels must firmly grasp material civilization with one hand and spiritual civilization with the other; must grasp economic construction with one hand and democracy and the legal system with the other; and we must grasp reform and opening up with one hand and striking at criminal elements with the other. We must firmly implement these important judgments by Comrade Deng Xiaoping, grasp legal system propaganda and education work as basic work in county management in accordance with the law, and never relax our grip.

The party and the government have paid very great attention to legal system propaganda and education work in the new period. The leading comrades of the Central Committee have put forward many demands and placed high hopes on the legal system popularization work in the new period. In his report to the 14th party congress, General Secretary Jiang Zemin pointed out: "It is necessary to combine the practice of democracy and the legal system with education in democracy and the legal system and continually strengthen the democratic consciousness and legal system consciousness of the broad number of cadres and the masses." Subsequent to the Third Plenary Session of the 14th CPC Central Committee, which was convened in October last year, in less than a year the party and the state leaders have put forward a further series of major expositions and directions on legal system propaganda and education work, which more clearly point out the direction for developing new work tasks in legal system propaganda and education.

On 24 December last year, in a speech at a national politics and law conference, General Secretary Jiang Zemin put forward as a pressing task in respect of the political line, "grasping well legal system propaganda and education work and raising the consciousness of the people in terms of knowledge of the law, observance of the law, and application of the law." On 22 January this year, the central authorities passed down the work focuses for 1994 decided by the Political Bureau Standing Committee, clearly pointing out: "Deeply developing legal system education" is an important task in actively promoting socialist democracy and legal system construction.

On 24 January, in a speech at the National Propaganda and Ideology Work Conference, General Secretary Jiang Zemin further put forward the clear requirement that among the masses, and especially among young people, we must strengthen "popularization and basic knowledge of the law." The work report which the standing committee made to the Second Session of the Eighth National People's Congress [NPC] clearly pointed out that the NPC Standing Committee requires that legal system propaganda and education must be grasped as regular work. At the beginning of June this year, at the National Conference on the Work of Comprehensive

Management of Social Order in the Rural Areas, in his speech Comrade Wen Jiabao, an alternate member of the Central Committee Political Bureau, pointed out: "We must assign a high degree of importance to strengthening education of the broad masses of peasants in respect of socialist democracy and the legal system, to popularizing knowledge of the law, and to strengthening the concept of the legal system so that the broad masses of peasants know and understand the law and master the weapon of the law." Comrade Ren Jianxin, secretary of the CPC Central Committee Secretariat, as well as Comrade Luo Gan, state councillor and deputy secretary of the CPC Central Committee, also gave important instructions on strengthening legal system popularization work in the rural areas. We must seriously study and understand the spirit of the speeches given by the central leading comrades, deepen our understanding of the major significance of legal system propaganda and education work, and widely and deeply develop legal system popularization and education among the hundreds of millions of people, especially among the masses at the grass-roots level. This is a necessary and basic condition for strengthening legal system construction and promoting the establishment of a socialist market economy structure.

### III. The Basic Tasks in County Legal System Propaganda and Education Work At Present and For Some Time To Come

At present, and for quite some time to come, the basic tasks of county legal system propaganda and education work are: With Comrade Deng Xiaoping's theory of building democracy and the legal system as guidance, tightly centering on the comprehensive management of social order in urban and rural areas, centering on the development of the market economy in urban and rural areas, centering on the construction of grass-roots political power, and centering on the struggle to combat corruption in urban and rural areas we must, in a targeted way, do well in legal system propaganda and education work and the work of management in accordance with the law and fully bring into play the promotional and guaranteeing roles of legal system propaganda in the various types of work at the grass-roots level in the urban and rural areas. In short, the basic tasks of county grass-roots legal system propaganda at present and for quite some time to come can be summed up as "one guidance and five centerings."

1. Using Comrade Deng Xiaoping's theory of building democracy and the legal system to guide the realities of grass-roots legal system propaganda and education work.

The 14th party congress put forward the idea of using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm the whole party. This is a significant task of long-term and basic significance. At the National Propaganda and Ideology Work Conference convened this year, Comrade Jiang Zemin pointed out that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a spiritual prop



for the whole party and the people of all nationalities throughout the country and a strong weapon for us in striving to obtain victory in reform, opening up, and modernization. This theory is the basic guiding principle in all aspects of the work of the entire party.

Since the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has, in an overall way, analyzed the basic conditions necessary for realizing the great goal of the four modernizations and guaranteeing the long-term peace and security of the state. He systematically summed up the historical experiences of our party which has for many years led the people in striving for democracy and in building a socialist legal system. He has made an overall, correct, and scientific appraisal of the strategic position and role of the building of socialist democracy and the legal system and created a complete theoretical system in respect of building democracy and the legal system. Its essence is the development of democracy, perfecting the legal system, and taking the road of administering the country in accordance with the law.

The contents of Comrade Deng Xiaoping's theory of building democracy and the legal system are extremely rich and include: Upholding the people's democratic dictatorship; the idea that without democracy and the legal system there can be no socialist modernization; in bringing socialist democracy into play, it is necessary to ensure that democracy is systematized and given legal form; the system of democratic centralism is the basic system of the party and the state; there must be laws to accord with, if laws exist they must be accorded with, the law enforcement must be strict, and violations of the law must be investigated; striking firmly at economic crimes and all sorts of criminal activities; the basic issue in strengthening the legal system is educating people; in opposing corruption, it is necessary to rely on the legal system; and so on. Comrade Deng Xiaoping's theory of building democracy and the legal system is an important part of the theory of building socialism with Chinese characteristics and an extremely valuable element in the treasury of Marxist theory. These ideas and theories have very major guiding significance for our country's various practical activities in terms of building democracy and the legal system, including the various types of basic work in legal system propaganda. They are basic guiding ideas and a program for action in developing legal system propaganda and education work.

In order to carry out propaganda in an overall and correct way; help the broad number of cadres and the masses to seriously study Comrade Deng Xiaoping's theory of building democracy and the legal system; and to uphold the use of Comrade Deng Xiaoping's theory of building democracy to guide the actual work of building the legal system and legal system propaganda, the Central Committee Propaganda Department and the Ministry of Justice have recently organized their strengths to edit the books *Deng Xiaoping on the Building of Democracy and the Legal System* and *Studying the Speeches in Deng Xiaoping on the Building of Democracy and the*

*Legal System*. As theoretical guidance materials for legal system propaganda and education work and unified readers for national legal system popularization at present and in future, these have been provided for study by leaders of party and government organs at all levels, staff and workers in enterprises and institutional units, and the masses at the grass-roots level. We believe that Comrade Deng Xiaoping's theory of democracy and the legal system is, in itself, the best element in legal system propaganda. On the other hand, Comrade Deng Xiaoping's theory on democracy and the legal system also has major guiding significance for legal system propaganda and work and is an important guarantee for doing well in legal system propaganda work. Putting great efforts into organizing the broad number of cadres and the masses to seriously study Comrade Deng Xiaoping's theory of building democracy and the legal system, and to use it to consciously guide the realities of legal system propaganda work should become a major task in county legal system propaganda work at present and for quite some time to come.

2. Firmly centering on the comprehensive management of social order in the urban areas and the villages and developing grass-roots legal system propaganda and education in a down-to-earth and effective way.

Since the beginning of reform and opening up, and particularly following the continued acceleration of the reforms by which our country is establishing a socialist market economy system, deep changes have occurred in all aspects of grass-roots politics and the economies of counties. The overall situation of county social order is stable. However, it is also certainly the case that there are some urban and rural areas in which social order is not good and where there are many cases, including major cases, and where offenses by hooligans are serious. The broad number of cadres and the masses lack a sense of security and the social order situation in the rural areas is serious. The most prominent problems are: 1) Local ruffians, village tyrants, and other hooligan forces are running wild in the villages, bullying and oppressing the masses and causing harm to the area. 2) Along some highways, railroads, and water transport networks, robbers who prey on vehicles and boats are running wild and murders, armed robberies, bombings, and other serious crimes of violence have seen a marked escalation in numbers, while the criminals have become increasingly ruthless. 3) Along some railroad lines, in oil fields and mines, along communications lines, and around some large-scale enterprises, mass-type criminal activities, including theft and mass larceny of state property, have frequently occurred, bringing great losses to the state. 4) Public order incidents and armed fights between groups arising from disputes over land, mineral products, forests, and irrigation works have occurred unceasingly and are increasing. 5) In some areas, people are using the power of religion to deceive and control the masses and to interfere with party and government work; they are struggling with us to seize grass-roots political power. Recently, I have seen some figures. In the first half of this

year, of the persons arrested throughout the country for various types of criminal activities, peasants constituted 56.4 percent, while the total figure was up 20.4 percent on the same period last year. At present, the abovementioned problems which exist in social order in the urban and rural areas, have produced a strong response from the masses. Thus, the party Central Committee and the State Council have given this a high degree of attention.

Two months ago, at the National Conference on the Work of Comprehensive Management of Social Order in Rural Areas, in accordance with the spirit of the Third Plenary Session of the 14th CPC Central Committee and the requirements of the Central Committee Rural Work Conference, and observing the remarks and instructions by Comrades Jiang Zemin, Li Peng, and Qiao Shi about taking this year and the next as breakthrough points in "controlling disorder" and striking at criminal activities as the key point, overall deployments were made in respect of comprehensive management of social order in the rural areas. At the conference, Comrades Wen Jiabao, Ren Jianxin, and Luo Gan made important speeches, putting forward clear requirements in terms of legal system propaganda and education work in the comprehensive management of social order. Widely and deeply carrying out legal system propaganda and education is one of the effective measures by which to do well in the comprehensive management of social order at the grass-roots level in the rural areas. We must borrow the driving force of the National Conference On the Work of Comprehensive Management of Social Order in the Rural Areas, to act on our own initiative and develop legal system propaganda and education work in a down-to-earth and effective way. We must begin by strengthening the concepts of observance of discipline and respect for the law among the broad number of urban residents and also in the rural areas, forming a legal system public opinion offensive. Wherever struggle is being carried out, there is where legal system propaganda must be carried out. The propaganda can lay roads and build bridges for the struggle so that people are clear about what they are fighting, why they are fighting it, and what lessons they can draw. Thereby it will be possible to shock criminals and educate the masses. In respect of the prominent social problems which exist in some rural and urban areas, in those places where social order problems are prominent we must engage in propaganda in respect of the relevant laws, regulations, and decisions, including the "Criminal Law" and the "Regulations on Penalties Applicable in Social Order Management." In this way, it will be possible to form a powerful social opinion which guards against and attacks illegal and criminal activities.

3. Tightly centering on the building of socialist spiritual civilization, developing county grass-roots legal system propaganda in a deep and sustained way.

The building of spiritual culture includes the two aspects of ideological and moral construction and the building of educational and scientific culture. County legal system propaganda and education can play an important role in

both of these aspects: Through legal system propaganda, the moral standards which are in accord with social demands and which are affirmed by our country's legal system, will be inculcated into the broad masses and, through the coercive state power of the law, they will become widespread practice throughout the whole society. On the other hand, legal system propaganda will guarantee and promote the development of the causes of education and scientific and technical culture in the rural areas. At present, in light of the actual situations in the reform, opening up, and economic development of counties, the form of legal system propaganda and education will be used to develop education on the party's basic line and ideological education in patriotism, collectivism, and socialism and to develop education in outstanding traditions such as being industrious and thrifty in running the household; supporting the poor and assisting those in difficulty; and maintaining friendly relations between neighbors. At the same time, through diverse forms of management in accordance with the law and democratic management at the grass-roots level, it is necessary to firmly develop activities of building civilized neighborhoods, civilized law-abiding villages and households, and educate and guide both urban and rural residents in transforming their social traditions, guarding against feudal superstition, changing bad customs and habits, doing well in family planning, and establishing fine social customs.

4. Tightly centering on the development of the county economy, guiding the hundreds of millions of urban residents to seek a comfortable standard of living through obeying the law and doing well in county grass-roots legal system propaganda and education.

Our's is a large agricultural country. Only if the urban and rural areas of the broad number of counties witness economic development will it be possible for the whole country to establish a unified socialist market economy. A market economy is an economy run in accordance with the legal system. Developing the rural and urban areas and establishing a market economy cannot be separated from the legal system, or from legal system popularization and education work. Legal system popularization propaganda and education work must make a positive contribution to the development of the market economy in the broad number of urban and rural areas. Through educating the broad number of grass-roots cadres and the masses in knowledge of the market economy and laws, they will be assisting to firmly establish a concept of the market economy legal system, including the concepts of operating in accordance with the law, of fair competition, of the equal position of entities, of honesty and trust, and the concept of paying tax in accordance with the law.

Through the propagation of knowledge about the market economy legal system, the broad number of cadres and the masses will be able to master knowledge about market laws, such as the "Civil Law Regulations," the "Company Law," and the "Economic Contract Law." Thereby, they will be able to carry out production and



operational activities in accordance with the law and will enter the market in accordance with the law. Through legal system propaganda and education, cadres and the masses in the villages and the legal representatives of township and small town enterprises will understand and master knowledge of the "Product Quality Law" and the "Anti-Trust Law," raise product quality, engage in normal competition, and will safeguard normal market order. At present, in light of the implementation of the "Notice on Seriously Striking At Illegal and Criminal Activities Involving Adulteration of Cotton in Purchase and Sale Activities," issued by the Central Commission of Political Science and Law, it is necessary to further increase the degree to which the "Decision of the NPC Standing Committee on Punishing Criminal Offenses Involving the Production and Sale of False or Poor-Quality Products" is being propagated, to safeguard normal order in markets for cotton and other agricultural and sideline products. It is also necessary, in accordance with the stipulations of the real estate law, to strengthen propaganda on the laws governing urban construction, to promote unified planning in urban construction and guarantee its healthy development. It is necessary to propagate party and state policies and laws relating to safeguarding the legitimate rights and interests of urban and rural residents and to reducing the burden of the peasants. Thereby, the broad number of urban and rural residents will utilize legal measures in safeguarding their own legitimate interests. Facts prove that only if the knowledge of the grass-roots cadres and the masses in respect of market economy legal system concepts and market economy laws is increased, will it be possible to guarantee the healthy development of the urban and rural market economy and will the great blueprint by which hundreds of millions of urban and rural residents achieve a comfortably-off standard of living be realized.

5. Tightly centering on building county grass-roots political power and developing grass-roots legal system propaganda and education in both the urban and rural areas.

The establishment of neighborhoods in urban areas and grass-roots political power in rural areas is a crucial link in implementing the various party principles and policies in the urban areas and promoting rural reform and development. There are many aspects to doing well in the building of grass-roots political power in urban and rural areas and the tasks are very onerous. The main tasks are establishing organizations of political power at the county and neighborhood levels and mass autonomous organizations in the neighborhoods. Through law popularization propaganda and education, the consciousness of the broad rural masses as masters will be strengthened and the consciousness of self-management and mass autonomy will be strengthened. This will promote and guarantee the construction of political power in counties, neighborhoods, and townships and the building of organizations of mass autonomy in the rural areas, which will truly resolve the situation

whereby the political power organizations in some areas are incomplete and lack power and where, in a very small number of areas, religious forces and illegal religious organizations have appeared. Through management in accordance with the law, fully bringing into play the role of county political power organizations, raising the level of urban and rural management in accordance with the law, and strengthening management measures, it will be possible to realize management in accordance with the law in economic and social life in both urban and rural areas.

6. Tightly centering on the anti-corruption struggle at the grass-roots level in counties and developing legal system propaganda and education.

The struggle to oppose corruption is extremely important work in strengthening party building and the construction of political power and in guaranteeing the smooth carrying out of reform, development, and economic construction. It is also a long-term task. At present, seen overall, in the broad number of urban and rural areas the grass-roots cadres are working diligently in the front line of agriculture, willingly bearing the burdens of office, and administering cleanly and honestly. However, we must also soberly recognize that, among a small number of cadres, there does indeed exist the phenomena of corruption and in some cases, this is quite serious. For example, some cadres use the power in their hands to engage in graft and to pervert the law. They offer and accept bribes, engage in extortion, exchange their power for money, squander funds, and are morally degenerate, all to a shocking degree.

Comrade Deng Xiaoping has earnestly warned us that "it is necessary to oppose corruption throughout the entire process of reform and opening up. As far as cadres and CPC members are concerned, it is extremely important that they grasp the building of a clean administration. It is also necessary to rely on the legal system as this is the most reliable guarantee." We must employ legal measures to punish corruption and first we must do well in legal system propaganda work.

Through legal system education, we must raise the consciousness of the grass-roots cadres in fighting corruption, to essentially reduce corruption. Through legal system propaganda and education, it is possible to create an anti-corruption public opinion environment and we must use the state's anti-corruption legal measures and legal processes to form a situation of mass supervision, to objectively check the emergence of corrupt activities. Through legal system propaganda and education, and giving publicity to positive and negative models which appear in the struggle against corruption, we can establish a fine social atmosphere for fighting corruption. Through legal system propaganda and education, we can further perfect the building of clean administration and anticorruption mechanisms and thereby basically overcome the phenomenon of corruption.



#### IV. County Legal System Propaganda and Education Work Must Open Up New Avenues of Thought and Explore New Methods

This year and next form a crucial period which will complete the Second Five-Year Legal System Popularization Program and the county legal system popularization organs must, under the leadership of their local party committee and government, closely coordinate with relevant departments, firmly implement effective measures and, at the same time, open up new avenues of thought and explore new methods, to create a new situation in county legal system popularization work.

##### 1. Grasping well legal system propaganda and education work in respect of key targets.

The key targets in county legal system propaganda and education are first, cadres at their posts and second, students at school. Strengthening legal system education for cadres at their posts, and especially strengthening legal system education for leading cadres at the county level, will play a very important role in further strengthening the consciousness of the broad number of cadres to administer in accordance with the law, in promoting the scientific and democratic nature of decisionmaking, and in raising, in an overall way, the level of county administrative law enforcement organs in administering in accordance with the law. The leading cadres must take the lead in studying the law, observing the law, and acting in accordance with the law, setting an example for the broad masses. In future, it is necessary to continue to grasp well the work of leading cadre law study lecture groups. Last year, the Central Committee Propaganda Department, the Ministry of Justice, and the Law Society of China established a state medium- and high-level cadre law-study lecture group. Over the last year, the high-level lecturers have been sent to over 10 provinces, municipalities, and central state organs, where they have given lectures on the legal system to middle- and high-ranking leading cadres. These lectures were warmly welcomed by all and there was a strong response. At the forum held recently to celebrate the first anniversary of the establishment of the group, Comrade Ren Jianxin, who is secretary of the CPC Secretariat and secretary of the Central Commission of Political Science and Law highly appraised the lecture group and fully affirmed their achievements. Leading cadres are a focus of the Second Five-Year Legal System Popularization Program because only if the leading cadres' consciousness of the law is raised, will administration and management in accordance with the law be fully guaranteed. Thus, all provinces, cities, and counties must establish leading cadre law-study lecture groups to form a lecture group network involving the central authorities, the provinces, the cities, the counties, which will carry out the task of having leading cadres study the law.

Legal system education for students has always been a focus in legal system propaganda and education. Strengthening legal system education for students and especially for middle-school and primary-school students will undoubtedly have major strategic significance

for fostering and training millions of successors to the socialist cause, who have ideals, morality, education, and discipline. Comrade Xiaoping has said that education in the legal system should begin when people are babies. Not long ago, Deputy Premier Comrade Li Lanqing gave clear instructions on legal system education in schools. He said: We must soberly recognize that legal system education in schools is far from able to meet the demands of the development of the situation. In order to change this situation, it is necessary during the reform of education, to continually strengthen and improve education on the legal system. In accordance with the different characteristics of primary schools, middle schools, and universities, there is a need to set up legal system education classes in a focused way, gradually forming a coordinated school legal education system which links primary schools, secondary schools, and universities.... It is necessary to do well in organizing the work of editing legal system education course materials, teacher training, and other relevant work, so that legal education in the schools is gradually standardized and systematized. Comrade Ren Jianxin, at the National Political Science and Law Work Conference, pointed out that middle schools must establish legal system classes, and these must be brought into the examination syllabus.

Legal system propaganda departments, together with other relevant departments, must compile appropriate middle-school legal system teaching materials and publish more books and audio-visual materials for increasing young people's knowledge of the law. The central leading comrades have already given very specific and concrete instructions for us on drawing up a basic outline for legal education in schools. At present, the Ministry of Justice, together with the State Education Commission, is revising primary school and middle school legal system teaching materials in an effort to ensure that legal education in schools has a program, teaching materials, and a plan. Young people bear the historical mission of building China in the 21st century and grasping legal system education beginning with them is a strategic demand for administering the country in accordance with the law. Legal system popularization organs at all levels must pay full attention to grasping well legal system education for young people. The work brooks no delay. Work must be carried out creatively and relationships between all sides must be coordinated, to bring about a new situation in law education in schools.

##### 2. It is necessary to place stress on grasping well legal system propaganda and education through images, so that education is inculcated through enjoyment and so that legal system education permeates people's daily lives.

Following social and economic development, the lives of the masses have daily become more prosperous and rich and their spiritual civilization demands have become increasingly diverse. Thus, legal system propaganda and education must, on the basis of traditional modes and methods, adopt new methods which are easy to accept

and are welcomed by the masses. Propaganda and education through images, including films, television, drama, folk arts, and slides is welcomed by the masses and is enjoyed by the masses. Carrying out legal system propaganda and education of the masses through such forms will educate through enjoyment, be easy for the masses to accept, and will exert a subtle influence on people's thinking. Thus, we must be determined and firmly strengthen the building of avenues by which to carry out legal education through images and, especially, we must firmly grasp the contents and form of propaganda. Each year we must make a number of outstanding television dramas and traditional arts programs which are well liked by the people. Not only must we make the ideological contents more healthy but also make their artistic forms more diverse and more vital. We must seek constant improvement and ensure that they have a powerful appeal and the power to influence. It is hoped that all areas will, in this respect, provide the necessary equipment for legal propaganda departments and provide them with necessary support.

3. It is necessary to grasp well the avenues for mass propaganda, to bring into play the role of mass media in legal system propaganda and education, and create a fine public opinion environment for legal system popularization work and for the work of management in accordance with the law.

Today, there are many newspapers and magazines in our country. Even local legal newspapers and periodicals have grown from 11 in the 1980's to 57 today. If these are added to those newspapers and periodicals which come directly under the Ministry of Justice, the figure is 96, with a total issue volume of 7 million copies. In addition, the broadcasting and television network stretches across the country. Many counties have their own television stations and the radio coverage is even wider. Mass media, including radio, television, and published materials are seen every day by the broad masses and everywhere influence the ideas and actions of the masses. If we grasp this avenue, then there is a long-term fixed front for legal system propaganda and education and we will be able to achieve good results in propaganda and education. Legal system popularization organs at all levels must place stress on the position and role of the mass media in legal system propaganda and education. Through strengthening links and slanting funds, it will be possible to encourage the enthusiasm of these departments in publicizing the legal system. It will be necessary to coordinate with workers in the news and publishing fields and every year plan one or two legal system propaganda activities which influence the whole society. Shanghai is preparing to hold a "Society Walk to Popularize the Law." Through seeking out and reporting the knowledge of and attitude to the legal system by leading organs, law enforcement organs, and the broad masses and reporting the "hot spot" problems of concern to the masses, it will be possible to promote the deeper development of legal system propaganda and education. This is a good method and all areas should give it a try,

to guide the broad masses to concern themselves with and assign importance to legal system construction.

4. It is necessary to firmly and unremittently grasp the building of a legal system propaganda contingent and raise the quality of the contingent.

Building a legal system propaganda work contingent which is politically strong, professionally excellent, and has a correct workstyle is the organizational guarantee for doing well in county legal system propaganda and education work. All areas and all departments must concern themselves with such a contingent on the political, ideological, life, and work levels and build a strong contingent.

At present, the problem of such contingents is that they are few in numbers, weak in quality, and they are unable to accord with the demands of the deep development of legal system propaganda and education work. They urgently need strengthening. In strengthening the building of contingents, the key lies in grasping well the building of leading groups. It is necessary to select cadres who firmly uphold the party's basic line, have basic training in legal theory, and who admire the cause of legal system construction in our country. They should be deployed in leading posts on the legal system propaganda battlefield, to strengthen the organization and leadership over the work of legal system propaganda and education. The comrades who are engaged in legal system propaganda and education must put efforts into studying the basic theories of market economy law, the various specialized laws, and studying knowledge of the socialist market economy and science and technology. They must take the raising of the level of their own legal knowledge as a precondition for raising the level of their work and for ensuring that their work is completed in a quality way. If we do not strengthen our study and further strengthen and improve ourselves, we will become backward and unqualified to educate others. Following the development of legal system construction, the tasks of legal system popularization at all levels have obviously increased. It is thus necessary to grasp well both the joint study of the law and cooperating with specialized departments in doing battle. The problem of insufficient staff has become extremely prominent. Legal system popularization and management in accordance with the law are important aspects of work for grass-roots legal administrative organs. Grasping well the building of this contingent is a necessary condition for serving the market economy. It is hoped that the leaders at all levels will concern themselves with the building and development of this contingent and provide the necessary personnel and the necessary funds guarantees and the work conditions.

5. It is necessary to strengthen the building of county legal system propaganda departments. The county propaganda departments and county judicial departments shoulder the onerous tasks of legal system propaganda and legal system popularization and education. The strengthening of county legal system popularization



departments is a crucial task in grasping well county legal system propaganda and education work. The party committees and governments at all levels must, in accordance with the demands of the national propaganda and ideology conference, concern themselves with, support and strengthen the building of county ideological and propaganda departments. They must further implement the relevant documents of the CPC Central Committee, the instructions of the central leaders on strengthening grass-roots legal administration work, and the spirit of the National Conference On the Comprehensive Management of Social Order in Rural Areas. They must also put efforts into strengthening the building of county justice bureaus and fully bring into play their functional role in developing legal system propaganda and education work; managing lawyers, notaries, mediators and township (neighborhood) law service work; participating in the social supervision and management of persons given suspended sentences, freed on parole, granted temporary release to seek medical treatment, and those subject to supervision outside prison; and in taking responsibility for providing assistance and education and making transitional arrangements for persons who have been released following their sentences or have been released following education through labor. Propaganda organs and legal administrative organs at all levels as well as county propaganda departments and justice bureaus must truly strengthen the building of contingents and the building of systems and put efforts into turning county legal system popularization departments into powerful functional departments in county work, so as to complete, in an excellent way, the arduous tasks which the party and the people have given to these organs.

6. We must do well in implementing the overall summing up and checking work in respect of the Second Five-Year Legal System Popularization Program.

In accordance with the progress of the implementation of the Second Five-Year Legal System Popularization Program, beginning next year the program will enter its summing up and checking stage. Seriously doing well in the summing up and checking work is absolutely necessary for us in order to invigorate our spirits and properly complete the tasks of the Five-Year program and, through our good work, zealously create a new situation for the Third Five-Year Legal System Popularization Program. Thus, we must seriously sum up and check our achievements and see the summing up and checking work as handing over an examination paper to the party central committee, the NPC, the State Council, and the masses. It must be an up-to-standard "examination paper." On this question, we must guard against doctrinairism and, on the other hand, guard against irresponsible actions which just go through the motions. In summing up and checking, the important aspect is ensuring a unity between knowing and doing and the combination of study and application.

Specific methods must proceed from reality and be flexible and diverse. All areas and all departments must

first choose some experimental points for summing up and checking and, on the basis of the experiments, formulate summing up and checking methods which are suited to the realities of the region, the system, or the department. In terms of work method, in checking the work of joint study of laws and regulations, the legal system popularization organs must be taken as the main elements and the specialized departments as supplementary. In the work of checking the study of specialized laws and regulations, the main element will be the specialized law management organs and the supplementary element will be the legal system popularization management organs. We must, in a timely way, propagate the checking experiences of localities and departments. The Central Committee Propaganda Department and the Ministry of Justice have arranged a National Second Five-Year Legal System Popularization Program Summing-Up Award Presentation Conference for the end of next year or the beginning of 1996. At the same time, they will be mobilizing and deploying for the Third Five-Year Legal System Popularization Program which will extend from 1996 to 2000.

Comrades, under the conditions of establishing and developing a socialist market economy, legal system propaganda and education work has a rarely-seen opportunity. At the same time, it faces more arduous tasks. We must treasure the opportunity, strive to create a new situation in legal system propaganda and education work, and make greater contributions to the maintenance of social stability, to guaranteeing and promoting the establishment of a socialist market economy system, to developing and bringing prosperity to the economy, and to promoting the overall social progress of the countries.

#### Beijing Gunman Identified as PLA 1st Lieutenant

##### Mayors Visit Scene of Incident, Hospital

HK2109133994 Beijing XINHUA Hong Kong Service in Chinese 1148 GMT 21 Sep 94

["Gunman Identified as People's Liberation Army First Lieutenant"]

[Text] Beijing, 21 September (XINHUA)—The incident of an evildoer who indiscriminately shot passers-by between Beijing's Jianguomenwai and Yabao Road was a grave criminal case of violence, and related conditions have been clarified, a Beijing Municipal Public Security Bureau responsible person told reporters today.

Tian Mingjian [3944 2494 1696] the armed evildoer, was a first lieutenant from a People's Liberation Army unit stationed in suburban Beijing. Earlier he had violated discipline by beating others, and nursed a grievance because he had been disciplined by his superior; as a result, he risked danger in desperation, committed assault to seek revenge, and headed for Jianguomen on a killing spree in a hijacked car. He was shot dead by public security cadres and policemen, who rushed to the scene, encircled him, and shot him on the spot.



The responsible person of Beijing Municipal Public Security Bureau told reporters that to express the Beijing authorities' strong indignation and condemnation of Tian Mingjian's heinous crime, Zhang Baifa, Beijing vice mayor in charge of day-to-day affairs, promptly went to the scene and organized emergency treatment for the victims. Vice Mayors Li Runwu and Meng Nongxue made a special trip to the hospital to visit and express condolences to the wounded, while mourning those who died and expressing condolences to their dependents.

#### **Soldier Blames Superior for Wife's Death**

*HK2109144694 Hong Kong Television Broadcasts  
Limited in English 1200 GMT 21 Sep 94*

[From the "News at 8:00" program: Report by correspondent Annabel Roberts in Beijing—recorded]

[Text] [Announcer] It's believed the gunman who opened fire on the streets of Beijing yesterday may have been acting in revenge following a family tragedy. A ninth person has now died from injuries suffered during the shooting. Meanwhile, Chinese authorities are promising to give the Iranian Embassy a full account of how a diplomat and his son were killed. Annabel Roberts reports from the Chinese capital:

[Roberts] The gunman who brought tragedy to the streets of Beijing early yesterday started his rampage here, at a military camp in the eastern suburb of Tongxian. According to a source at the camp's hospital, he shot his superior officer because he blamed him for his wife's death. The officer had forced the soldier's wife to terminate her second pregnancy, but the woman died during the operation. The officer is reported to have said the Army could not be responsible, but that it was the soldier's fault for not obeying the one-child policy. He then turned on his fellow soldiers. According to a witness who has a stall at the camp entrance, gunfire was followed by a surge of men charging out of the barracks. [Video shows cars moving along a four-lane road; fatigue-clad men jogging along along a tree-lined street; a three-story building, partially obscured by trees, through a set of high metal gates; a series of very high-angle shots—labeled "amateur video"—of scenes during the 20 September shooting incident, including: vehicles stopped on a multilane road; people, some in dark uniforms and carrying guns, moving about; people running in a crouched position behind a fence]

[Unidentified male voices in Mandarin] It scared everybody off. Before we could find [words indistinct] men [words indistinct] men all ran inside [words indistinct]. [Over video of the stallkeeper and three other men, a series of English subtitles reads: "The soldiers ran out, not all have been found." "Some are hiding in the cornfields." "They ran out in all directions."]

[Roberts] The Public Security Ministry will not confirm that there were any military casualties, but an eyewitness tells us that a convoy of six jeeps and an ambulance was needed to ferry the wounded from the camp to hospital.

We also located several wards at the Tongxian Military Hospital in which at least six soldiers with gunshot wounds are being treated. [Video shows a low-angle shot of people, some apparently in surgical garb, walking along a long, somewhat dark corridor; the scene cuts to another low-angle shot as the camera turns right into a two-bedded hospital room where two nurses tend to one of the two patients, while a man in military uniform looks on; a person in white, whose face cannot be seen, ejects the camera operator from the room]

Meanwhile, three civilian victims of the rush-hour shootout in the center of the city are in intensive care at this hospital in Beijing. All are in a critical condition. A fourth, a policeman, is undergoing brain surgery and is also critical. The daughter of the Iranian diplomat killed by the gunman is still in hospital. Her elder brother, who was also in the car, is back at home tonight. [Video shows the exterior of a building with a canopied entrance. The canopy bears Chinese characters reading: "Beijing Hospital." Cars are parked under the canopy and two people, one in a white coat and trousers, walk past the cars; the camera follows the man in white, as he passes more cars and a white building bearing Chinese characters reading: "Emergency Building"]

The Iranian Government is considering holding an independent inquiry into the shooting. China's most senior diplomatic representative in Tehran has been summoned to government offices to receive a strongly worded protest. Tehran is demanding that if anyone else is found to be connected with the shooting, they be severely punished. The Foreign Ministry in Beijing has reassured the Iranian ambassador he will receive a full account of the investigations into the tragedy. [Video shows scenes outside the Iranian Embassy.]

#### **Paper Predicts Death Toll of '40-50'**

*HK2209052094 Hong Kong MING PAO in Chinese  
22 Sep 94 p A2*

[By "special reporter" Chen Ti (7115 1717) in Beijing: "More on the Identity of the Gunman and Further Details of the Shooting Case in Beijing"]

[Excerpts] An authoritative source has told this reporter that, as revealed in an official internal circular released in Beijing, statistics by noon yesterday showed that the cold-blooded serviceman involved in the shooting case in Beijing streets the day before yesterday has caused 72 deaths and casualties. Since many of the injured are in critical condition, the authorities predict that the death toll may ultimately rise to between 40 and 50. More than 30 deaths and casualties alone were reported at the barracks to which the gunman belonged. So far, no official report has been released either on what the serviceman had done in the barracks at the beginning of the incident or on the death toll and number of casualties caused by him. It is only officially reported that eight people were killed by the gunman at Jianguomen, Beijing. [passage omitted]

Reports said an official in charge of the Beijing Municipal Public Security Bureau expressed extreme indignation against, and strongly condemned, the brutal crimes committed by the gunman called Tian Mingjian.

The informed source has disclosed to this reporter that the cold-blooded gunman was a crackerjack in military skills in his regiment and was known as a "crack shot." On the day before yesterday, he first shot dead the political commissar of his regiment in the barracks in Tongxian County in the eastern suburbs of Beijing. After that, he fired at some soldiers drilling on a drill ground, causing more than 30 casualties. Medical personnel at a public hospital in Tongxian County also confirmed yesterday that the hospital had received dozens of injured servicemen the day before yesterday, all of whom were later transferred to the Beijing Military Region General Hospital. Up to now there is no verified accurate death toll or casualty figures.

According to the reliable source, then the killer took a car, drove eastward and then turned northward at the Jianguomen Flyover. He tried to head toward the embassy district via the crossroads to the north of the International Post Office. However, the embassy district was then guarded by an additional regiment (more than 1,000 soldiers) dispatched as reinforcements by the Beijing Armed Police Force which had already been informed of the incident by that time. So, the armed police unit first engaged the gunman. It is said that the Iranian diplomat killed during the incident was shot dead at that very moment.

It is reported that the Beijing authorities yesterday informed officials at and above the bureau chief level of the incident. In some major organs, such as the news media, the briefing on the incident has even reached down to personnel at still lower levels. However, all official news media have been ordered not to report the incident, except for the XINHUA News Agency which have been exclusively authorized to cover the case. The death toll and casualty figure revealed by the internal official report is 72, of whom eight military and police personnel were shot dead while chasing the gunman. By 1200 [0400 GMT] yesterday, another four of those injured had died in the hospital after unsuccessful emergency treatment. An official estimate puts the ultimate death toll at between 40 to 50.

The informed source said that the military and police suffered tremendous loss of life during the chase after the cold-blooded gunman since he was a crackerjack member of a special unit. A department concerned has disclosed that the authorities estimate that the gunman could have carried more than 90 rounds of ammunition bullets with him when he ran away from the barracks after shooting at soldiers there. When the gunman was shot dead, he still had more than 30 rounds. So, he could have caused nearly 40 casualties from over 60 rounds. Apart from the fact that the gunman started shooting in a downtown district where many people were passing by, his highly accurate shooting skills may be another factor

contributing factor to the heavy casualties suffered. A Beijing hospital which received six injured people after the incident pointed out that all those who were hospitalized were pretty seriously injured, with wounds to the head. No new reports have been received to further confirm either the gunman's personal information or details about his conflict with his superior.

#### Further on Death Toll

HK2209061494 Hong Kong SOUTH CHINA  
MORNING POST in English 22 Sep 94 p 1

[By John Kohut in Beijing and agencies]

[Text] Beijing authorities yesterday raised the official death toll from Tuesday's shooting spree by an officer of the People's Liberation Army to 10, but made no mention of a report that the gunman had killed six colleagues before heading into the city.

The previous toll had been nine dead, including the gunman, who was identified as Tian Mingjian, 31. He was a First Lieutenant in an Army unit stationed at Tongxian, a suburb to the southwest, where there are many military installations.

The incident began after Tian was disciplined for fighting in the barracks, a senior police officer was quoted by XINHUA (the NEW CHINA NEWS AGENCY) as saying. "Disgruntled after he was reprimanded by his superiors, he then took the risky path and sought revenge through violence," the report said.

Tian hijacked a Jeep and forced the driver to take him to the Jianguomen area, where the vehicle reportedly crashed into a tree after being intercepted by security forces. Tian escaped the ambush and walked calmly along the busy Jianguomen Wei Avenue, firing an AK-47 automatic rifle at passing traffic and passers-by. The shooting began at 7.15 am. Iranian diplomat Yousef Mohammadi Pishknari and his 10-year-old son Ahmed were among the dead.

Iran is sending a team from Teheran to investigate the shooting. The team should arrive today or tomorrow, according to an Iranian Embassy spokesman. He said Chinese authorities had promised to provide more information and to co-operate with the embassy in its investigation. "We seriously want them to investigate our case," said the Iranian diplomat. Mr Pishknari, who had been posted to Beijing a year ago, had been driving his four children to school when Tian randomly shot at a bus, cars and cyclists just outside the Jianguomen Wei Diplomatic Compound and International Post Office.

One of the diplomat's two daughters underwent a seven-hour operation after being shot in the chest, the embassy spokesman said. The girl was reported to be out of danger. A second of the diplomat's sons, wounded in the leg, stumbled into the compound and said the police had been shooting at the family. Although he was in a state of shock and may have been confused about where the shots came from, there is speculation that some of the casualties may have been people caught in the crossfire.

Chinese authorities said the casualties were all caused by the gunman. XINHUA said that policemen who rushed to the scene were forced to shoot Tian dead to halt the carnage.

None of the Chinese-language national newspapers including the People's Daily, mentioned the shooting. The BEIJING DAILY and BEIJING EVENING NEWS, along with English-language CHINA DAILY, reported in a few paragraphs on their front pages that a "hoodlum" or gunman, "shot indiscriminately at passers-by in the morning rush hour". Although XINHUA confirmed there had been a dispute between Tian and his superiors at his barracks, and there had been a fight there was no indication of whether anyone had been injured or killed there. A police official in Tongxian denied anything at all had happened.

In the absence of details from the Chinese media, rumours are rife. One has it that Tian believed his wife and a superior were having an affair, and he shot his superior, and five others who had tried to intervene.

Operations to assist the wounded and recover the dead were directed by vice mayor Zhang Baifa. Vice-mayors Li Runwu and Meng Xuenong visited the wounded in hospital. Diplomats in Beijing regarded the incident as an isolated event and were not taking further security measures. Two Western embassies praised the work of the police, saying they acted quickly and efficiently.

#### Dissident Wang Dan Writes on Democratic Reform

HK2209023594 Hong Kong MING PAO in Chinese  
5 Sep 94 p B7

[Article by Wang Dan (3769 0030) and Yang Ping (2799 1627): "On the Urgency of Democratic Reforms in China"—subheads inserted by MING PAO editor]

[Text] Speaking fairly, if we discuss only the contention between concepts of democracy and the centralization of state power, and bypass the crime of the "4 June" massacre, then the theoretical basis for the CPC's political power is not totally defeated. A study, at home and abroad, of the experience and lessons of one social system being replaced by a new one, reveals that democracy does not necessarily bring immediate progress and prosperity, and that democratic reforms call for mature objective conditions. If the CPC, as a ruling party, had set out frankly the reasons for its opposition to fairly large-scale political reforms at the present stage, then the free media both at home and abroad might not have unanimously condemned it in the period since "4 June," giving so many people reason for scepticism concerning its legitimacy. The problem, however, is that the ideological sphere tenaciously defended by the CPC is precisely the most vulnerable link in its basis for rule. To safeguard the integrity and authority of its Marxist-Leninist ideology with Chinese characteristics, the CPC did not dare engage in a contest with its opponents, even regarding issues on which it was not absolutely in the wrong. Instead, it knocked out its own teeth and gulped

them down with the blood, so that the situation as a whole would not be affected by a small move in one part, so that its incredible ideological lies would not be exposed, and so that its rule would not be threatened.

#### Ossified Tenets Are Like a Double-Edged Sword

Therefore, its ossified ideological tenets are like a double-edged sword. They help to maintain stability, while also acting like a piece of burning charcoal in the hand which the CPC finds it difficult to cast away. This forced the CPC—against its will—to make some remarks on democracy, which no one believed. In fact, it was thrown into passivity, and chose to maintain silence and to keep a good distance from its opponents. This is because the narrow space provided by the four cardinal principles makes it easy for any solemn discussion about democracy to get out of control. Again, if the CPC intended to reason things out with other people, it would be in the wrong before it began to argue because the four cardinal principles create a basis that denies discussions. The principles are like a paper horse, which will topple over at the slightest touch. However, any discussion inevitably will touch on these principles. Therefore, the CPC simply dodged the discussions completely. It refused to reason things out with you because it had armed forces at its disposal.

#### Special National Actual Conditions Used as a Pretext

In private, it would feel wronged because there was something it could not mention in public. Since the "4 June" massacre, China's media frequently have mentioned "China's national actual conditions." The CPC realized that justice was not on its side, so it spoke in a roundabout way about "China's national actual conditions" being entirely different from those in Western countries, implying that democracy did not suit China. However, because it was too evasive to express itself fully, we had better speak out on its behalf so as to be fair to it.

First, it wanted to say: Comrades, do you still think that I believe in Marxism-Leninism and work for socialism? I couldn't stop even if I wanted to! I only pay lip service. The best thing is...the capitalist...economy. "But" it added, "democracy is undesirable." The reasons are: 1) The sincere founders of the CPC and its political power are still alive. How embarrassed these old guys would be if we were to practice democracy and settle their decades-old accounts. 2) They were concerned that the CPC's leading role would not last once democracy was practiced. In addition, some people within the party feared that democratic reforms would lead to the disintegration of political power and social disorder. It should be pointed out that these thoughts and worries, at least, were in earnest, and represented the views of many people. Indeed, democracy is not only a concept and a system, but also a complicated operation. To suddenly change the political structure of large country devoid of democratic traditions is really risky. We believe that all sectors, including pro-democracy forces, should study



and take these worries into account, out of their sense of responsibility to the people's interest. They should explore ways to promote effective and smooth democratic reforms in the future, in line with their study of China's social realities.

#### **A Perplexed Generation Leads a Perplexed Party**

Again, we should be aware that the philosophy in which the CPC actually believes long ago deviated from their nominal communist convictions. It would be better to say that they believe in stark, much-needed pragmatism, than to say they that believe in Marxism-Leninism. For a long period, the CPC hierarchy has been sensible. Other than safeguarding its ruling power, nothing was indispensable to it. Everything would be just fine if only the ruling power could be retained.

Who cares about the color of the cat, as long as it catches mice? In actual fact, this theory has been proved true in Zhao Ziyang's case. Zhao claimed in the early stages that he was "a reformist on economic matters, and a conservative on political matters." Compelled by the need to solve practical problems, he assimilated many Western democratic ideas, and acquitted himself very well. He represented many people within the party who underwent a mental evolution. It seemed that they were prompted by what Li Houzhe called "pragmatic rationality," which had the same effect as Mao Zedong's arbitrary alteration of Marxism-Leninism. Therefore, the CPC does not stubbornly believe in certain dogmas, as it appears to do. Rather, we would say that the CPC is a "perplexed party" led by a "perplexed generation," including Deng Xiaoping. It is groping its way across the river by feeling the stones at the bottom—going on and off. Only God knows where they will land.

#### **The Post-Deng Situation Is Uncertain and Unpredictable**

The political development following Deng's death is uncertain and hardly predictable, but we believe that the best option is gradual democratic reform, which the CPC will be compelled earnestly to face. This will be prompted not by political idealism, but by China's realities. We can comment on this matter only briefly, owing to limited space.

Owing to the seriously distorted statistics provided by the CPC, and to the strict press censorship imposed by the authorities, it is rather difficult to arrive at an objective understanding of current mainland society, but many problems are obvious to all. For instance, state enterprises have difficulties emerging from the red, there is a sharp increase in the numbers of unemployed, rural areas have developed slowly or even stagnated, the bureaucratic institution as a whole is corrupt, there is a serious emotional confrontation between the government and the people, prices have risen rapidly, and public security has deteriorated. Any country would consider any of these problems a knotty one, to say nothing of the serious crises in almost all social fields. This situation has enhanced the CPC's risks in administering the country.

Evidently, if the CPC were conscious of the serious social crises and of the irresistible democratic trend, it would—judging by its logic—wishfully hope to alleviate social contradictions through rapid economic growth. It will not initiate political restructuring until China is highly economically developed. Taiwan has provided successful experience in this respect. They believe that a powerful military and police apparatus will maintain minimum social stability and, as always, will develop the economy at a rapid pace. Owing to the great panic in 1989, the CPC will not touch off substantial political reform.

#### **The Government Is Too Incompetent To Perform Social Duties**

It seemed that the CPC, which acquired a profound understanding of the "theory of the economic basis deciding everything else," ignored one thing, which is that democracy is not a concept suddenly hit upon by a certain person. Rather, the spread of the sense of democracy is closely related with the change in current Chinese society. Deng Xiaoping himself might play the biggest role in this respect. The economic reform on the mainland undoubtedly has led to a profound social revolution. Over the past 20 years, the old social balance has been broken up, and the social structure and the people's mentality have become more and more complicated, while the government has been impossible and too incompetent to discharge all the social responsibilities brought on by reform. A gap then emerged. The public was forced to express and satisfy its reasonable demands in more ways; suppression could serve only for a short period. It was impracticable for the authorities to use rapid economic growth as the bait in order to persuade the people permanently and willingly to give up their rights in other fields. Economic reform has been in force for 10 years, and the results have been unsatisfactory, on the whole. In the meantime, they should be aware that economic activities are periodical. If one of the periodic economic slumps were to coincide with the failure of highly speculative economic policies, no countermeasure would avail in the face of the pressure exerted by excessive population growth and political problems. This crisis would be aggravated by the divergence of views within the party. At this juncture, if any force favoring a more arbitrary system and extreme nationalism were to come out into the open to clear up the messy situation, the Chinese nation will move toward a bottomless abyss.

#### **Rational Democratic Reform Has a Bright Future**

Another fairly ideal strategy is that in the face of serious social problems, all sectors should make concerted efforts to promote prudent and phased democratic reforms, following a rational and orderly principle. This is the only path to a bright future. No longer can we afford to linger in the labyrinth of "socialism with Chinese characteristics."

True, the current period has seen the most rapid economic growth and the greatest improvement in the

people's living standards in Chinese history. This should be attributed to favorable climatic and geographical conditions, as well as to the CPC's decision to conform to popular feelings. For the CPC, this allows for no optimism.

In the meantime, we must not lose sight of a clear and recent fact: The people are greatly dissatisfied with the government, and the contrast between the people's increasing desire for involvement in the administration, and the serious government corruption and the high degree of centralization of state power, is sharper than ever before. The CPC has grasped firmly almost all powers which have nothing to do with the general situation. This shows they keep a close watch on the people, but they do not know that their bureaucratic apparatus is the most corrupt and most unpopular ever. Consequently, the CPC increasingly has distanced itself from the people. This should be seen as an evident Chinese characteristic. If things go on like this, any design for social development will vanish like soap bubbles. The Chinese people should reflect on their superficial optimism. The present problem is not whether we should press for democracy, but what the consequences of a policy that denies democracy will entail.

Distorted social development and extremely stagnant politics have made China a place ridden with hidden lava. If democratic reforms are not instituted to reduce the pressure, the volcano may erupt anywhere.

#### **Give Up One-Party Dictatorship and Earnestly Consider Practicing Democracy**

It is now time for those within the party who have political foresight to earnestly consider practicing democracy. We noted that a feeble, but representative call for democracy had constantly come from within the party over a certain period, despite strict ideological control. In the next few years, the CPC will have to face various sectors' rational demand for democracy. With so many social problems crying out for solution, constructive democratic reforms would involve sharp criticism of the reality, and all the more a rational, prudent, and serious operational process. As the ruling party, the CPC must give up its arbitrary attitude and make its future rule a transitional period for democratic reforms, in line with good intentions and an ideal design. Only when it eliminates itself through setting up a democratic society can the CPC be turned into a dynamic party. It is also necessary for various circles to base their demands for "freedom, democracy, and human rights" on the people's aspirations. Confronted with great social change, either the ruling party or the opposition must uphold constructive principles. Only in this way can the Chinese nation turn over a new leaf amid the inevitable upheavals.

#### **Science & Technology**

##### **Officials Announce New Spacecraft Research Center**

OW2109132094 Beijing XINHUA in English 1245  
GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—China announced here today that it has set up a research and

applications center for spacecraft and payloads.

Chinese scientists refuse to state whether the spacecraft will be manned or unmanned.

Senior Chinese space officials and scientists attended the ground-breaking ceremony for the construction of the center in the northwestern suburbs of Beijing today.

The project for the construction of the newly-established institute, called the "Space Center for Payloads and Applications Under the Chinese Academy of Sciences (CAS)" was hailed by Chinese space scientists as the largest capital construction project in the country's space industry.

Addressing the ceremony, Prof. Zhou Guangzhao, president of CAS, said that the construction project of the spacecraft center also includes two key laboratories—for microwave remote-sensing equipment in space and for plasma.

According to Zhou, the center will be equipped with a data-collection station, a payload monitoring and control system, measurement equipments, a data bank and a bank for material samples.

"The center will be an important comprehensive ground technological support system for the country's space research and experiments," he said.

According to Zhou, the center will support launching site adjustment during the research and manufacturing of spacecraft.

It will also design programs and software for space flights, he added.

During flights the center will be responsible for radio contact, data collection, recording, monitoring and control of the spacecraft both in space and on the ground.

The center will offer data processing and data bank services to its clients, Zhou said.

##### **Beijing Plans To Launch 2 More Satellites in 1994**

OW2209064994 Beijing XINHUA in English 0639  
GMT 22 Sep 94

[Text] Xian, September 22 (XINHUA)—China plans to launch two more satellites within the year, a senior space official announced Wednesday [21 September].

Zhang Tong, president of the China Great Wall Industry Corp., made the remarks at the third China, Russia and Ukraine Astronautical Science and Technology Conference, which was held in Xian, the capital city of north China's Shaanxi Province.

The official said that China has successfully sent four satellites into the orbit this year. It is planning to launch two more satellites—the "Dongfanghong 3" telecom satellite and the "Asia-Pacific 2".

By the year 1993, China has launched more than 30 domestic and five foreign satellites with its self-made

"Long March" rocket, showing China's strength in the international market of commercial satellite launching service, he said.

However, he added, compared with the western space powers such as France and the United States, China has a very limited space in the market. Half of the market is occupied by France while the United States provides more than 30 percent of launching service.

He said that China's capability in the space industry has greatly improved as its new rocket, Long March 3A, sent a "SJ-4" scientific satellite and another simulation satellite into the geostatic orbit in February of this year.

Zhang said that China has always followed the international practice in its launching service and strictly abide by all the Sino-U.S. agreements.

China launched the first self-designed Long March rocket in June 1964 and since then a series of such rockets have been developed to carry various types of satellites into different orbits.

The official said that in 1985 his company was approved by the state to provide commercial launching service. The first batch of the overseas projects contracted have now been completed, including the launches of telecommunications satellites and satellites for scientific experiments.

#### **XINHUA: Science, Technology Make Progress**

*OW2209080994 Beijing XINHUA in English 0715 GMT 22 Sep 94*

[Text] Beijing, September 22 (XINHUA)—China has made great progress in science and technology development over the past four decades or more, according to today's XINHUA DAILY TELEGRAPH.

A chart in the newspaper shows that the number of engineering technicians in state-run units increased from 164,000 in 1952 to 1.571 million in 1978, and again to 5.364 million in 1993.

The number of agro-technicians in state-owned units increased from 15,000 in 1952 to 294,000 in 1978, and to 496,000 in 1993.

The number of medical workers in state-owned units increased from 126,000 in 1952 to 1.276 million in 1978, and to 2.916 million in 1993.

The number of science researchers in state-owned units increased from 8,000 in 1952 to 310,000 in 1978, and to 334,000 in 1993.

The number of secondary special technicians among every 10,000 workers increased from 269 in 1952 to 593.3 in 1978, and to 1,660 in 1993.

The number of major scientific and technological achievements increased from 2,820 in 1979 to 32,916 in 1993.

The number of approved patents increased from 138 in 1985 to 62,127 in 1993.

All these figures are provided by the State Statistics Bureau.

#### **Military**

#### **Zhang Zhen Stresses Ideological, Political Army Building**

*OW2209105094 Beijing XINHUA Domestic Service in Chinese 0547 GMT 18 Sep 94*

[Text] Wuhan, 18 Sep (XINHUA)—Zhang Zhen, Central Military Commission [CMC] vice chairman, led a work team on an investigation and study tour of Army units and military academies in Guangxi, Hunan, and Hubei from 28 August through 18 September. He pointed out: Under the leadership of the CPC Central Committee and the CMC with Comrade Jiang Zemin as the core, the general principles for army building have been decided upon. What is crucial now is to step up efforts to implement these principles so as to lay a solid foundation for the Army.

Zhang Zhen repeatedly emphasized: In laying a solid foundation for the Army, we should, first and foremost, strengthen ideological and political building—especially party building—in the Army, in order to ensure the party's absolute leadership over the Army and to preserve the political color of the People's Army. He urged all Army units to study in depth Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, to adhere to the party's basic line for 100 years, and to steadfastly advance along the road of building socialism with Chinese characteristics. All Army units should strengthen education in the nature and purpose of the Army, going all out to advocate the spirit of sacrifice and dedication, firmly fostering the thinking of serving the people wholeheartedly, developing democracy in the three main fields, and observing the "Three Main Rules of Discipline and the Eight Points for Attention," so as to cherish and protect the image of the people's soldiers. All Army units should strengthen education in patriotism, and should kindle strong national dignity and pride among officers and men to better safeguard the motherland and its people.

While discussing with cadres and fighters ways for reforming military training, Zhang Zhen pointed out: To ensure successful reform of military training, we must take Mao Zedong's military thought and Comrade Deng Xiaoping's concept of army building in the new period as our guide. Despite latest changes in modern warfare, Comrade Mao Zedong's stand, views, and methods on studying the law for directing a war remain applicable today; and they are of great guiding significance. After viewing a scientific research exhibition at the National Defense Science and Technology University, he said: Comrade Jiang Zemin has demanded us to study high-tech knowledge, which is very important for the success of training reform.

At every Army unit and academy he visited, Zhang Zhen inquired about its progress in improving the quality of



cadres, stressing that improved quality of cadres at all levels should be a strategic task of Army building. He said: We should steadfastly rely on the system of training cadres by academies, and should bring into full play the role of cadres trained by academies. Military academies should gear their current curricula in anticipation of future needs and should correctly handle the relationship between reality and future. In carrying out teaching reform, military academies should adhere to the orientation of serving Army units, keeping in mind the realities of troops, drawing up the correct training goal, and deepening reform of teaching contents, so as to comprehensively raise academy cadets' political and ideological awareness, scientific and cultural standards, military and professional skills, and commanding and managerial competence.

At a parachute unit, Zhang Zhen inquired about soldiers' training, everyday life, and study, and observed their mess halls and barracks. He said: Companies are the basic unit in the Army. They should comprehensively implement the "Program for Grass-Roots Construction in the Army," and should improve the quality of companies in line with Comrade Jiang Zemin's five-point requirement for "political qualification, tough military skills, fine workstyle, strict discipline, and effective logistic support."

Zhang Zhen emphasized: In carrying out army building, we must improve leadership style and overcome formalism. Leading comrades must carry forward the fine style of our party and Army in seeking truth from facts, familiarizing themselves with the situation, identifying problems in good time, giving firm instructions and effective guidance, and setting a good example for officers and troops.

Showing kind concern for the health and everyday life of retired cadres, Zhang Zhen called on leaders at various levels to solve practical problems for veteran cadres so that they can have a happy retirement.

#### **Beijing Military Leaders Urge Emulation of Model Cadre**

*OW2209030794 Beijing Central People's Radio Network in Mandarin 1030 GMT 20 Sep 94*

[By central station reporter (Zhang Zongshun); from the "News and Press Review" program]

[Text] Since the middle of August, all press units in the capital have been carrying continuous reports on retired cadre (Zhang Jingshan), 78, of the Shanxi Provincial Military District and the touching story of his assiduous study, propaganda, and practice of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. General Li Laizhu, commander of the Beijing Military Region [BMR], and General Gu Shanqing, political commissar of the BMR, called on the vast numbers of officers and men to study well and successfully apply Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and to practice by

looking upon (Zhang Jingshan) as a model. Over the past month, nearly 1,000 veteran cadres of the BMR have listened to reports about the deeds of (Zhang Jingshan); one after another, officers and men of all units organized discussion meetings; and all units also closely integrated the actual conditions of their work with their organization of party-member cadres to find out where they lagged behind Comrade (Zhang Jingshan), they compared their standards to his, discussed responsibility, and enhanced consciousness of the study and propagandizing of Comrade Deng Xiaoping's theories and thinking.

#### **PLA Paper Views Exercises in Xinjiang's Taklimakan Desert**

*HK2209070194 Beijing JIEFANGJUN BAO in Chinese 15 Sep 94 p 1*

[Report by reporters Wang Wenjie (3769 2429 2638), and Zhang Jinyu (1728 6855 3768): "Ground and Air Forces Join Hands To Brave 'Sea of Death'"]

[Text] Urumqi 12 Sep (JIEFANGJUN BAO)—Joint military exercises with participation of various arms of service of the ground and air forces of the People's Liberation Army (PLA) took place in Xinjiang's Taklimakan Desert, and the gate to the "Sea of Death" was crashed open by an army of iron and steel.

The recent joint exercises of PLA ground and air forces, which aimed to temper the combined operational capacity of various arms of the service in the gobi-type of desert terrain, began on 29 August. The ground force was divided into three columns, the north-route, west-route, and east-route; separately they implemented a 1,000-km rapid maneuver to stand-by positions in the desert region; on their way, they were attacked by "enemy" air raids and ground obstruction; in the air, fighters of the air force and air units under ground forces command closely coordinated with the swing force and constantly implemented interception of "enemy" aircraft. On the morning of 9 September the "enemy" reconnaissance aircraft discovered that the east-route column was setting up a bateau-bridge to force a crossing of the Kaidu He; shortly after, "enemy" bomber groups appeared in the sky, and the Kaidu He was instantly turned into a sea of fire, with the bateau-bridge totally destroyed. At this point, a solid large-type bateau-bridge surfaced 1,000 meters away from the site of explosion; the lead elements of the swing force had rapidly succeeded in forcing a crossing and occupied a commanding position on the opposite bank.

In the early morning of 11 September, the general attack began. These reporters saw groups of fighters in the air spit fire at the "enemy" combat site, stirring up clouds of sand. Groups of tanks and armored vehicles advancing toward the "enemy" stirred up several yellow dragons on the desert. The infantry launched attacks now and then, moving along in green spots; now and then they were in concealment awaiting further orders, hiding under some bushes, nowhere to be found.

Lanzhou Military Region Commander Liu Jingsong told the reporters: "The PLA stages joint land-air exercises in this ancient desert simply because the gobi-type of desert terrain, which was quite beyond reach of any armies and was avoided in past wars, has become an arena for contention in hi-tech warfare today and in the future."

Various ground and air force units conducting rapid maneuver, three-dimensional attack and defense on the desert in consecutive days confronted one new problem after another, such as solutions to fatigue resulting from the capricious desert climate, the great heat and severe cold, and increasingly frequent equipment malfunction; solutions to obstacles presented by gales and sandstorms, crushed stones, and sand; and solutions to the inconveniences in concealed movement, camouflage, and rear supply in drifting sand terrain. When these reporters covered the divisions and regiments that had marched a thousand li, they saw that commanders and soldiers participating in the joint exercises succeeded in crossing one sand dune after another, resolving one bottleneck after another to conquer the desert, not fearing minor injuries, and probing experience for the army's desert operations.

More than 100 young cadets of the PLA National Defense University studied the recent exercises on site.

### Economic & Agricultural

#### Vice-Premiers Plan Trip To Promote Trade, Investment

HK2209074494 Hong Kong *SOUTH CHINA MORNING POST* in English 22 Sep 94 p 10

[By John Kohut in Beijing]

[Text] Vice-Premiers Zhu Rongji and Zou Jiahua will be visiting the Middle East and Europe next month to promote trade and investment, according to diplomats in Beijing. Mr Zhu, who is also head of China's central bank, will be in Madrid on October 3 and 4 for the meetings of the International Monetary Fund and World Bank.

He is expected to stay in the Spanish capital for an extra day or two to meet, among others, Spain's Vice-President Narcis Serra and Foreign Minister Javier Solana. He may also meet President Felipe Gonzalez. Mr Zhu's trip will also include Egypt, according to diplomats.

Mr Zou will begin his trip in Israel before going to Portugal between October 9 and 12. On October 17 and 18, he will visit Denmark to meet Danish Government leaders, according to diplomats.

Mr Zou's visit would provide an opportunity for China and Israel to pump up relations after the initial euphoria of establishing diplomatic ties in January 1992. Trade between the two countries is a modest US\$100 million (HK\$772 million) a year.

Mr Zou would be the highest-ranking Chinese official to visit Israel since the two countries established diplomatic relations. Chinese Foreign Minister Qian Qichen

visited Israel before being promoted to Vice-Premier. However, it does not appear that the vice-premiers' Middle East visits will mean China's greater involvement in the Middle East peace process.

A diplomat said: "Although China is interested in the peace process, the focus would be bilateral." A Danish diplomat said: "We welcome his visit because it's at a very high level." In terms of breaking into the China market, the diplomat said Denmark had been a "little bit" behind other European countries. Mr Zou will be visiting Lisbon at the invitation of Portugal's Foreign Trade and Tourism Minister Faria Oliveira, who visited China last April. China sells about twice as much to Portugal as it imports from that country.

#### Li Peng Calls for Stepping Up Water Conservancy Work

OW2109142194 Beijing *XINHUA* in English 1348 GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—Chinese Premier Li Peng today urged that more efforts be made to speed up the harnessing of major rivers and lakes, and build a number of large water-conservancy facilities in the rest of the 1990s.

Addressing a national conference on water conservancy that closed here today, Li asked governments at all levels to step up construction of dikes and facilities to control flooding and combat drought during that period.

The leader also called for work to accelerate the construction of water-conservancy facilities in the rural areas and flood-control facilities in urban areas, and to ease water shortages in many cities and areas.

He described water conservancy as a basic prop for China's economy, noting, "it is not only the lifeline of the farming sector, but also the foundation for social development."

"We must give top priority to the harnessing of rivers, lakes and valleys in our construction plans for 1994, 1995 and the 1996-2000 period," he told the conference.

The middle and lower reaches of the seven major rivers in China, including the Chang Jiang and Yellow Rivers, are home to one half of China's population and contain one third of the country's farmland, he said.

Therefore, effective flood control along these rivers is vital to China's economic and social development, he noted.

The premier said that everything possible must be done to ensure the smooth construction of the gigantic Three Gorges water-conservancy project on the Chang Jiang river and the Xiaolangdi water-conservancy project on the Yellow River.

"Meanwhile, we must try to promote the work of supplying and conserving water," he told the conference.

He asked governments at all levels to draw up scientific plans for the development and utilization of water

resources, improve the management of such resources and draw on foreign water-conservation techniques.

"I think making scientific use of and conserving water are an effective way to alleviate water shortages in China," he said.

Governments at all levels must draw up plans for the construction of water-conservancy facilities in the course of mapping out plans for economic and social development, he told the delegates from across the country.

The premier said that the central and local governments must increase investment in the construction of water-conservancy facilities.

Meanwhile, funds for the construction of such facilities should be raised through a variety of channels: the central government, local governments, collectives and society.

Li asked the delegates to launch a national campaign to build such facilities this winter and next spring.

Also speaking at the conference, Vice-Premier Zhu Rongji asked delegates to do their utmost to make water-conservancy work this winter, next spring and in the future a success.

#### **Minister Comments on Developing Automobile Industry**

*OW2209105194 Beijing Central People's Radio Network in Mandarin 1030 GMT 20 Sep 94*

[From the "National Hookup" program]

[Text] Speaking at a forum of the Ministry of Machine-Building Industry on implementing the industrial policy for the automobile industry, He Guangyuan, minister of the Machine-Building Industry, said that to build China's automobile industry into a pillar industry of the national economy by the year 2010, it is necessary to proceed in three stages: 1) The period from 1994 to 1996 will be the foundation-laying stage; while concentrating on adjusting the product mix, efforts will be made to carry out the sedan and light-duty automobile projects already approved by the state, and to begin production as soon as possible. Efforts will also be made to concentrate on completing the coordinated projects to manufacture parts and accessories, so as to increase the made-in-China rate of engines and automobiles to between 60 and 80 percent. The period from 1997 to 2000 will be the stage of tackling key problems. During this stage, two to three automobile industrial groups of considerable strength and six to seven pillar enterprises will be formed, the combined production capacity of which will reach 2.7 units a year. The period from 2000 to 2010 will be the stage for accelerating development. During this stage, production will reach 6 million units, including 4 million sedans which will compete on the world market.

He Guangyuan said: To realize the goal of building a pillar industry by the year 2010, we must overcome the pattern of scattered production, overcome stagnation in

the development of the parts and accessories industry, overcome the passive situation of being unable to independently develop products, and overcome the market structure based mainly on group consumption.

#### **Finance Official Discusses Tax Inspection Efforts**

*OW2209114594 Beijing XINHUA Domestic Service in Chinese 0734 GMT 17 Sep 94*

[By RENMIN RIBAO reporter Li Jianxing (2621 1696 5281) and XINHUA reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 17 Sep (XINHUA)—According to a decision made by the State Council, this year's national inspection of taxation, finance, and commodity prices should be conducted beginning in September. Like the ones in the past, such an inspection should be divided into two stages—one for self inspection and one for key inspection.

It was learned that the main target of the inspection includes large enterprises and trades that pay value-added tax and consumption tax; foreign trade enterprises and enterprises that have decisionmaking rights in conducting foreign trade; enterprises that enjoy export tax reimbursement; large shareholding-system enterprises; joint-management enterprises and enterprising groups; financing, insurance, and various nonbanking financing institutes; real estate and land development enterprises; tertiary industry such as high-consumption amusement places where management is rather loose; departments and units that are conspicuous in arbitrary price hikes, service charges, and fines; as well as enterprises and institutes that experienced great losses in business. The main content of the inspection includes various acts that violate financial and economic laws and disciplines in 1994 and those occurring in 1993 but not discovered during that period. Particular attention should be paid to those occurring in 1994 since the implementation of new finance, taxation, and price policies.

Vice Minister of Finance Jin Renqing, at a national work meeting on the inspection of taxation, finance, and commodity prices held here today, said: The 1994 national inspection of taxation, finance, and commodity prices is of great significance. The inspection is a must because it aims at meeting the needs of reform, development, and stability. It is also urgently needed to ensure the smooth progress of finance and taxation reform.

Jin Renqing said: The new finance and taxation system, which was implemented at the beginning of this year, works fairly smoothly. A smooth transition of the new system has been basically achieved. But some problems do exist, calling for an immediate solution. Major problems include the following aspects: Some localities and departments adopted accommodating measures for the transitional period that run against the state's unified finance and taxation laws and regulations. These accommodating measures were not beneficial to an overall



implementation of reforming measures. A small number of taxpayers, taking the advantage of the finance and taxation reform, played tricks on value-added tax reduction by filing false reports, increasing reduction margin, privately manufacturing and using fake invoices or registering false amounts on real invoices, changing tax rates at one's own will, and expanding the scope of tax reduction and exemption to evade tax. Some localities and enterprises, by taking the opportunity of the finance and taxation reform, as well as the transition from the old to the new financial and accounting systems, made unjustified addition to productions, verified and then wrote off, without authorization, expenditures from capital funds, retained the state's revenues, evaded income taxes, or even took some kinds of improper means to switch to local treasuries the taxes that should be turned over to the central authorities. Some enterprises and units contravened the state's regulations concerning the supervising and monitoring of prices and increased, without authorization, the prices for grain, edible oil, eggs, vegetables, and other daily necessities as well as services. Some even went so far as to gain windfall profits by cheating on prices. Arbitrary charges on cotton, fertilizers, and other capital goods of agricultural production were fairly serious. So were charges of public utility undertakings and administrative institutes. Jin Renqing said: To solve these problems, we should, on one hand, bring into full play of the functional role of finance, taxation, auditing, price, and other supervision departments to conscientiously strengthen routine finance and taxation supervision and management, and, on the other, strengthen the deterrent force of the inspection by focusing on various problems cropping up during the course of the finance and taxation reform. He emphatically said: Severe punishment should be given to those who are found guilty of evading the value-added tax, consumption tax, and individual income tax or cheating on export tax reimbursement by taking the opportunity of the finance and taxation reform to the detriment of the state's interests.

Jin Renqing urged that the key inspection should cover no less than 40 percent of all items under inspection. Extensive and careful inspection of key units and links is required. Special efforts should be made to inspect key problems so as to achieve the goal of the inspection. Any problems that contravene the laws and disciplines should be severely dealt with in accordance with the law.

Vice Minister Luo Zhiling of the State Planning Commission, Deputy Director Xiang Huaicheng of the State General Administration of Taxation, and Deputy Auditor General Li Jinhua of the Auditing Administration also spoke at the meeting.

#### **Commentator on General Finance Inspection**

*HK2209091894 Beijing RENMIN RIBAO in Chinese  
19 Sep 94 p 1*

[Commentator's article: "Truly Make a Success of the General Inspection of Finance, Tax, and Commodity Prices"]

[Text] The 1994 general inspection of finance, tax, and commodity prices began in September. It is an important measure adopted by the CPC Central Committee and the State Council to ensure the work of the whole party and the whole country which is to "seize the opportunity, deepen reform, expand the degree of opening up, promote development, and maintain stability." All localities and all departments must conscientiously implement the spirit of the "State Council's Circular on Launching the 1994 General Inspection of Finance, Tax, and Commodity Prices," reach a common understanding, coordinate their actions, and make a success of this year's general inspection with one heart and one mind.

Since 1985, there have been nine general inspections of finance, tax, and commodity prices in which various discipline-violating cases involving 117.4 billion yuan have been cracked, of which 74.9 billion yuan have been turned over to the state as revenue. They have played a positive role in imposing strict financial and economic discipline, balancing the fiscal budget, stabilizing market prices, punishing corruption, and promoting reform and opening up and economic development. Practice proves that the general inspection is an effective form of supervision that suits China's national conditions and is an important means for the state to strengthen macroeconomic regulation and control.

Since the beginning of the year, China has made distinct progress in its reform aimed at establishing a socialist market economic structure. Fiscal, monetary, foreign exchange, foreign trade, investment, and price reforms and the reform of the circulation structure have been introduced one after another. Practice over the past six months or more shows that the results have been good. Positive results have been made in strengthening and improving macroeconomic regulation and control. Currency issue and excessively expanding credit scale have been held in check and the status of revenue and expenditure has obviously improved. But we must also see that in the process of deepening reform, some law- and discipline-violating acts have been committed in the economic field. Some of them are rather serious and must not be overlooked. Some localities have come up with practices that are out of keeping with the requirements of the new fiscal system, hindering thorough implementation of fiscal reform. Some enterprises and units, taking advantage of the loopholes in fiscal reform, have adopted inappropriate means to evade taxes, commit tax fraud, pay less than the due taxes, or simply owe taxes. Some, seizing the opportunity afforded by fiscal reform and by the change from the old fiscal and accounting system to the new one, have arbitrarily imposed apportioned charges, retained state revenue for their own use, or even retained revenue that should be turned over to the central authorities. In violation of state regulations, some have arbitrarily increased prices and imposed charges, leading to excessively high commodity prices. The general inspection is intended to effectively curb and correct these acts which violate financial and economic laws, to ensure that fiscal reform

and the various other reforms can be carried out smoothly and to bring economic activities into line with the legal system. This is needed to establish a market economic structure and to submit to and maintain the current major work of the party and state. Practice over the years proves that through the annual general inspection, a fine legal environment can be created for reform and opening up and economic development and more financial guarantees can be increased on the one hand. On the other hand, the initiative and the legitimate interests and rights in enterprise reform can be protected according to law, and consulting services can be offered to enterprises, enabling enterprises to better strengthen their own development.

We must unswervingly make a success of this year's general inspection. The "State Council's Circular on Launching the 1994 General Inspection of Finance, Tax, and Commodity Prices" is the ideological weapon and legal basis for making a success of this year's general inspection. The CPC Central Committee and the State Council have already decided to make it an important point in the entire economic work to curb inflation in the latter half of the year and for a period to come as well as the most important task in macroeconomic regulation and control. This is the most favorable condition for promoting the smooth launching of the general inspection. The implementation of the new fiscal system, the "two sets of regulations," the "two systems," and the corresponding consolidated fiscal regulations have set a better standard for determining the violation of laws and discipline and will also be favorable to the general inspection. Of course, some new trends have surfaced in China's economic development so far this year, enhancing the difficulty of the general inspection. But with the general inspections in the past nine years, we already have a comparatively sound system of organization and leadership and a contingent of inspection personnel who are honest and upright and whose quality is fairly high. As long as we conscientiously implement the requirements set out in the State Council's Circular, inspire our enthusiasm, and work in a positive manner, we will surely be able to do better in this year's general inspection than we did last year.

#### **Nongovernmental IPR Protection Center Set Up**

HK2209101094 Beijing CHINA DAILY in English  
22 Sep 94 p 3

[By Wang Yonghong: "Centre Set To Protect Intellectual Property"]

[Text] The country's first national intellectual property rights [IPR] watchdog—the non-governmental China United Intellectual Property Protection Centre—has been established in Beijing.

"The centre sets its aim at protecting intellectual achievements and making people respect them," the centre's chief director Li Changxu said yesterday.

The centre is the first in the country to deal specifically with property rights infringements, and will provide

comprehensive services to domestic and foreign clients, added Li, who is also a lawyer.

He said the centre was set up in response to increasing complaints, both from China and abroad, about serious infringements of intellectual property rights.

The centre will also help improve the country's investment environment, Li said.

The Chinese Government has been paying great attention in recent years to the legal protection of intellectual property rights. Laws have been enacted and the country has signed international conventions in a bid to enhance international co-operation.

But Li quoted Justice Minister Xiao Yang as saying it is essential to expand legal services to those who believe their intellectual property rights have been infringed, to investigate and obtain evidence and deal with infringement disputes through legal means.

"Anyone who has infringed others' intellectual property rights must be punished," he stressed.

The centre aims to protect any legal person or individual whose trademark, brand name, insignia, patent, copyright (including software), know-how or other intellectual property is nationally or internationally recognized.

The centre will monitor the enforcement of intellectual property rights nationally and regionally, and will investigate on behalf of domestic or foreign clients particular cases of infringement, obtaining evidence, filing lawsuits and taking other legal action.

It will also offer advice on intellectual property rights protection, and provide advanced anti-forgery technology and products.

The centre has established the China United Intellectual Property Infringement Watching Network in 26 provinces, municipalities and autonomous regions, and expects to extend the network to four other areas by the end of this year.

The centre also plans to set up an eastern office in Shanghai and a southern office in Guangzhou, Guangdong Province.

According to Li, those infringing intellectual property rights have become more subtle and wily. They cause great losses not only to the owners but to the country.

The centre plans to provide detailed information on its work, including monthly monitoring reports. It also plans to exchange information with foreign organizations so as to co-operate with foreign partners for intellectual property rights protection, Li said.

#### **Pressure Mounting for Oil Industry Reforms**

HK2209091494 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) 22 Sep 94 p 6

[Article by Julian Brutus from the 'Analysis' page: "Momentum Builds for Oil Reforms"]

[Text] There are encouraging signs that China's oil industry is beginning to address the problems that have plagued it since the sector was liberalised in 1992. Beijing has been spurred into action following three major blows in August: a drop in production because of flooding in the northeast; the release of official figures showing imports are higher than forecast coupled with various reports indicating that the official figures are conservative and that the gap between supply and demand continues to widen, and a reduction of between seven and 12 percent in the price of diesel by independent companies which obliged state firms to follow suit.

This month, joint ventures with major foreign firms have been given the go-ahead and for the first time, there is official acknowledgment of the scale of the problems facing the industry. Three senior officials—from Singapore, China Oil and China Petrochemical Corp—have said publicly that there is a need for urgent reforms. "The policies have yet to see any significant degree of success in terms of balancing domestic fundamentals," a senior China National Chemical Import and Export Corp (Sinopec) official said at the beginning of the month. Referring to the independent traders, which Beijing maintains are collecting profits that belong to the State and fuelling free market forces it would prefer to introduce gradually, he said: "We are making all endeavours... to curb unnecessary imports," but then added that until new regulations were introduced, independent trading would continue. The official's remarks had been prompted in part by the release of details concerning lost production after floods the previous month had forced the closure of 1,800 wells in the northeast.

At the Liao River oilfield, the country's third largest, daily production dropped to 37,000 tonnes from 42,000 tonnes, losing about 120 million yuan a day. Crude production from January to August totalled 92.6 million tonnes, down from 96.12 million tonnes in the same period last year. Onshore production in August totalled 11.6 million tonnes against 12.56 million tonnes in July.

The gloom was lifted slightly by the announcement that projects by major French oil companies had been approved. Elf Aquitaine has signed an agreement to sell 700,000 tonnes of crude oil to Sinochem between next month and the end of next year, and to buy 300,000 tonnes of Chinese crude oil from Sinochem next year. The company also has undertaken to build an oil refinery in Shanghai.

Another French firm, Total, announced that its 100,000 barrels per day (bpd) joint venture refinery in China would become operational early next year and be fully on stream by the second half. Total has a 20 per cent stake in the joint venture of the refinery being built at Dalian, which will export about 70 per cent of the refined product.

Mobil Oil Corp has also announced plans to build a plant to make lubricant oil in Tianjin at a cost of about US\$30 million. The plant will begin operation in 1997, producing 300,000 barrels of lubricant and 40,000 barrels of

grease a year. But the status of other projects planned in China by major firms remains unclear and the announced developments are seen as significant more because of government attitudes than because of their scale. Last week, another senior official spoke out about the need for urgent action.

Zhang Xisen, president of China Oil, said: "The current situation of the oil industry is far from satisfying as required by the growing national economy." He said action was being taken and the industry was "on the historical turning point". The action to which he referred was a reform to seek a true price reflection of oil supply and demand and to streamline China's many oil trading firms and regulations which had caused endless confusion. Mr Zhang went on to say that Beijing favoured "a tendering system for crude and product imports". To succeed in its aims, he said, China must allow businesses in the special economic zones to have equal rights in international trading and Sinochem, China Oil and Unipecc should no longer be the sole importers of crude and products. China also must allow end-users to choose their import agents freely, and the many import channels must be reduced to avoid smuggling, tax evasion and corruption.

Li Yizhong, executive vice-president of China Petrochemical Corp, added his voice to the call for change on Sunday. Noting that crude imports would rise sharply next year, he said China needed to spend at least 100 billion yuan (about HK\$89 billion), some of it in the form of foreign investment, to boost refining capacity. He pointed out that the country had 20 per cent of the world's population but only 3.7 per cent of its crude processing capacity.

Earlier this year, the government expected official imports this year to be slightly lower than the artificially high level for last year. Imports of oil products, for example, totalled 340,000 bpd last year, and official forecasts were for 338,000 bpd this year. However, analysts believe that China's demand for oil products has increased 10 per cent over last year and expect imports to reach 374,000 bpd, a view confirmed by the almost 30 per cent rise in imports so far this year compared with the same period last year. These figures have prompted Beijing to revise its own estimates of the country's consumption: the new quotas allow for a slight increase rather than the decrease that officials initially expected.

Fereidun Fesharaki, director of the Hawaii-based East-West Centre's Programme on Resources, maintains that China's diesel imports are steadily increasing and could end up being twice as high as Beijing's estimates for this year. He believes the figure of 300,000 bpd of all oil products in the first half of this year which Beijing believed would be a constant figure—will reach 340,000 bpd for this month and could reach 400,000 bpd in the fourth quarter. Mr Fesharaki is confident Beijing will increase official quotas to allow for the increased demand.

The most recent but most embarrassing item of bad news for the government was that imports by independent



traders created a glut at the end of July just as they did in March when they prompted the first ban on imports—and resulted in many refineries reducing their runs by 50 percent at the end of July. Towards the end of last month, they created even more havoc when they lowered the price of diesel by between seven and 12 per cent in an effort to reduce stockpiles. In order to reduce their equally high inventories, state-run companies were obliged to follow suit. The result is that the government is now clearly following rather than leading the private sector. In the first half of this month, as has been evidenced, senior officials in the industry went on the record about the need for change. And Mr Fesharaki continues to add to the pressure. He said that government meddling was discouraging foreign companies from investing in multi-billion-dollar refineries, and that without them China's oil products would more than triple over the next 11 years to 850,000 bpd by 2000, and 1.4 million bpd by 2005.

It is obvious that Beijing acknowledges the imperative need to allow free market forces to operate, but there is still a long way to go. As far as the major oil companies are concerned, the confusion caused by an indecisive government continues to hamper the setting up of large-scale, long-term operations and it is still possible that their patience may run out before Beijing abandons the unworkable "socialism with Chinese characteristics" for the oil industry.

#### State, Local Tax Administration Separated

HK1909125594 Beijing RENMIN RIBAO in Chinese  
16 Sep 94 p 1

[Dispatch by staff correspondent Chen Jianxing (2621 1696 5281): "Separation of Provincial-Level State Tax Organs From Local Tax Organs Completed"]

[Text] Beijing, 15 Sep (RENMIN RIBAO)—The institution and organization across the country of a provincial-level state tax administrative structure, separate from the local tax administrative structure, was completed in mid-August as requested and planned by the party Central Committee and the State Council. Local authorities now are busy separating tax administrations below the provincial level. By the 15th, the separation of state and local tax bureaus at the prefectural, city, and county levels had been completed in 11 provinces, autonomous regions, and municipalities, such as Beijing, Tianjin, Hebei, Inner Mongolia, Shanxi, Heilongjiang, Anhui, Gansu, Ningxia, Xinjiang, and Yunnan, where the tax organs are operating in a new administrative structure and according to new mechanisms.

The separation of tax administration into two distinct tax systems is a major decision by the Central Committee and the State Council, is a key part of financial and taxation reform, and is of profound significance for establishing the new socialist market economy system.

The State General Administration of Taxation wants a faster pace in establishing two separate tax administrative structures, and for the focus to be directed to the following tasks after completing the separation:

- 1) Continue to monitor the new tax administrative structure closely for new situations and problems uncovered in the process of implementation, so as to perfect the new structure to make it more conducive to economic development.
- 2) Vigorously pursue tax revenue collection. State and local tax bureaus at all levels must take active steps to ensure to the best of their capability the completion of their assigned tax collection quotas for this year.
- 3) Adopt effective measures to strengthen the management of tax collection. The current focuses for tax collection and management are to crack down on such illegal and criminal activities as export tax rebate fraud, and the theft and hawking of forged invoices and receipts; sorting out and recalling outstanding taxes; and stepping up the collection of individual income tax.
- 4) Beef up the leadership groups of taxation departments at all levels, and build up a tax cadre contingent, improve work styles and efficiency, tighten discipline, and stay clean and upright.

#### McDonnell-Douglas Aircraft Assembled in Shanghai

OW2209105894 Beijing XINHUA in English 1035  
GMT 22 Sep 94

[Text] Shanghai, September 22 (XINHUA)—A new batch of MD-82/83 planes jointly produced by the Shanghai Aerospace Industry Group and the U.S. McDonnell Douglas will be put into use soon.

By the end of July, 33 MD-82/83 planes, assembled in the Shanghai aircraft manufacturing plant with the main parts supplied by the U.S. McDonnell Douglas, have gone into service in both domestic and foreign airlines.

The total flight time of these planes topped 300,000 hours, with 13 of them reaching more than 10,000 hours each.

Experts of the Shanghai aerospace industry said that the quality of the planes in service has proved to be high.

#### Economists Discuss Inflation Problems

HK2209101594 Beijing CHINA DAILY in English  
22 Sep 94 p 4

[By Chen Xiao: "Protracted War on Inflation"; from the "Opinion" page]

[Text] Central government needs to continually define its anti-inflationary policy in the light of the fluctuation of grain prices this summer which has had a knock-on effect throughout the food markets of the country.

The policy must be stated more clearly and kept more stable.

"In wrestling with inflation, central government's determination will reduce regional governments' speculation by taking the advantage out of policy loopholes," said Li Laya, an economist with the State Information Centre, a think tank of the State Planning Commission.

Only in this way can central government possibly pull the country's annual inflation rate back to around 20 per cent by the end of the year.

In June, most economists reckoned that inflation had reached a peak and things were in good train in the first six months of this year.

However, the consumer price index in urban areas jumped to 25.8 per cent last month from 21.3 per cent in May, according to the State Statistics Bureau (SSB).

It is puzzling that the climb appeared when central government did not abandon the tight credit policy.

Li attributed the summer perking of inflation to heavy speculating on the grain market, which seesawed the prices skyward even though grain output did not fall due to droughts and floods which afflicted many provinces this summer.

Boosted by grain price rises, this inflationary gust was a chilling wind on the nation's food markets. Shoppers found their recent wage rises being further eroded by higher food prices.

Before the reform of marketing system of grain which was spread in the country last year, grain coupons made the grain prices and markets stable.

However, before a mature market system is established the abolition of grain coupons and the reform of the marketing system creates a speculative opportunity for the generation of unethical profits. In the South, some government-run grain stores monopolized the market and raised grain prices, Li said.

In addition to the chaos in the grain market, speculative investment in the second quarter also contributed to the triggering of inflation, said Wang Dayong, an analyst with the Research and Statistics Department of the People's Bank of China, the country's central bank.

"Speculators, some of whom are regional governments, gambled on Beijing's policies," said the economist.

When the central bank released the reins on credit, thus releasing more working capital in April and May for the invigoration of State-owned enterprises, speculators began to doubt the central government's anti-inflationary stance and became more impetuous to invest.

As a result, investment in fixed-assets and new construction projects has shot up in the last two months. According to the SSB, fixed-asset investment increased 72.8 and 34.9 per cent respectively in July and August. One third of this year's new projects started in these last two months.

"Although the State Planning Commission has been cautious in making its budget, the limit is usually broken by strong pressure from the provinces."

Bankers say that raising the interest rate is helpful in curbing excessive loan applications.

"It's possible for the central bank to raise the rate for loans while keeping the rate for savings unchanged in the near future," Wang said.

Although the bank is coming up with more and more initiatives to use the interest rate option to cut inflation, it still has a long way to go to let the market determine its own interest rate.

"There is no timetable for the reform of the rate system yet," Wang said.

Inflation has been afflicting China since it started to dismantle its planned economy which governed policy from 1949 until the concept of a socialist market economy was adopted by the 14th Communist Party Congress of October 1992.

Economists cannot extricate themselves from the belief that rapid economic growth goes hand in hand with high inflation. The memory of 1988's hyper-inflation is still fresh. When inflation approached 20 per cent in the first nine months of 1988 and the urban populace went on a spending spree, the central government introduced an austerity policy in the autumn.

After this experience, consensus has been reached against any hard braking austerity measures which would inflict stagnation on the economy. In 1988, this brought down runaway inflation but the downside of the policy was a two-year economic recession.

"Although the inflation rate is hovering around 25 per cent, the central government will keep on fine tuning to the economy," Wang said.

Li Laya said that in the present situation it was difficult for the policy-makers to take bold actions—whether it be sudden braking or stepping on the accelerator. Both of these two extremes would be disastrous to the economy.

With fine tuning, economists believe that inflation may come down before the end of this year on the basis of two factors.

One is that the declining prices of producer goods will halt the rising costs for production, reducing the possibility of cost-push inflation.

The other factor is that order is being restored in food markets as the regional governments pay attention to the supply of farm products. The price hikes of farm products are getting less.

Meanwhile, bank savings are still soaring in spite of inflation.

With deepening reform of housing, medical services and social welfare people are conscious of the need to save for their rainy days, for instance, to buy flats, pay school fees for their children and provide for their pension. Such saving takes the pressure off consumer markets and inflation can be reduced.

In spite of these positive factors, it is hard to bring inflation at a satisfactory level this year.

"Next year, the anti-inflation policy will be maintained to further create a relaxed macro economic situation for the reform at micro level," Wang Dayong said.

## East Region

### Anhui Plans To Free Huaihe River From Pollution

OW2209063294 Beijing XINHUA in English 0624  
GMT 22 Sep 94

[Text] Hefei, September 22 (XINHUA)—Anhui Province in east China is determined to make a breakthrough by 1997 in purging pollutions on the Huaihe River, the major waterway in the province.

Officials from the provincial government said recently that the province has ordered 63 enterprises, the main polluting sources, to shut down within the year.

The government has also published the names of 27 polluting enterprises, warning that they must reduce their pollution to the acceptable levels by 1997, or they will be closed down.

From now on, the government will not approve the building of any small factories in papermaking, chemicals, soy sauce brewery and small tanneries, the officials said.

Over the past ten years, seven cities along the river have spent 294 million yuan on 1,059 environment projects, resulting in the plunge of industrial waste water drainage by 91 million tons, and of waste solids by 58 million tons, according to official statistics.

Despite the efforts, some 207 major pollution accidents have occurred on the river and its tributaries over the past decade, causing economic losses amounting to billions of yuan, and serious threat to the health of the people in the valley, the officials said.

The new measures provide that environmental protection will be a major aspect in evaluating the work of government officials, that those found neglecting their duties might be charged with criminal offences, the officials said.

### Fujian Secretary Looks Forward to National Day

HK2209071094 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 19 Sep 94

[Excerpts] Yesterday provincial party Secretary Jia Qinglin, Governor Chen Mingyi, and Fuzhou City party Secretary Xi Jinping, together with leaders from various institutions directly under the provincial authorities, went to construction sites and market places in Luoqiao, Fuzhou City, to inspect preparations for the 45th National Day commemoration. They also visited particularly poor families. [passage omitted]

While in the Taijiang Market, the provincial leaders inspected prices, asked about work channels, and expressed satisfaction over the rich market supplies in the period leading to National Day. [passage omitted]

While talking with Fuzhou leaders, Jia Qinglin and Chen Mingyi made important speeches on ushering in and celebrating National Day and the current work.

Jia Qinglin said: Tomorrow is the Mid-Autumn Festival. We express our holiday greetings to the people in Fuzhou and throughout the province and wish every family a happy and joyful reunion. He pointed out: It will be National Day after the Mid-Autumn Festival. This year is the 45th founding anniversary of the PRC. All levels of party and government leaders must take serious account of preparations for National Day celebrations, to enjoy a grand, exciting, safe, and economical festive occasion.

Jia Qinglin set five detailed requirements:

First, a good economic development trend must be ensured and the people must be further organized and urged to fulfill all tasks in this year's reform, opening up, and economic construction. In the coming months of this year, economic work must focus on controlling inflation. Price increases, particularly excessive price increases in consumer goods closely connected with the people's lives, must be put under control.

Second, urban construction and management must be successful and efforts must be concentrated on renovation so that Fuzhou City will take on a new look. The masses must be mobilized to participate in urban renovation, to celebrate the 45th founding anniversary of the PRC with a new look.

Third, good arrangements must be made for market supplies in the period leading up to National Day. In maintaining the stability of market prices, the key is to successfully construct production bases and improve the supply of essential products.

Fourth, social order and social stability must be strengthened to create a fine social environment for the 45th National Day celebrations.

Fifth, there is a need to strengthen leadership, to carry out meticulous organization, and to conscientiously do a good job in commemorating the 45th founding anniversary of the PRC, so that all work will develop to new heights.

In his speech, Chen Mingyi asked all levels of government to focus their work on resolving the problems which have evoked the strongest repercussions among the masses and about which the masses are most concerned and regard price control as a job having an important bearing on the overall situation, reform, development, and stability. In controlling inflation and prices, leaders and departments at all levels must properly understand their own positions, formulate effective measures, and try to score some achievements.

### Jiangsu Party Secretary Attends Congress Party

OW2209104694 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 19 Sep 94

[By station reporter Chun Xue and correspondent Wang Ming; from the "Provincial News Hookup" program]

[Text] A forum was held in Nanjing yesterday [19 September] to commemorate the 40th founding anniversary of the people's congress of Jiangsu Province. Shen



Daren, chairman of the provincial people's congress standing committee, presided over the meeting.

Chen Huanyou, secretary of the provincial party committee, delivered an important speech at the meeting. Summing up and looking back on the glorious career of the people's congress in the past 40 years, he fully affirmed the significant achievements made by people's congresses at all levels in the province and their standing committees in performing duties enshrined in the Constitution and laws since their founding, particularly since the Third Plenary Session of the 11th CPC Central Committee.

On behalf of the provincial party committee, Chen Huanyou extended cordial greetings and heartfelt gratitude to deputies of people's congresses at all levels and the masses of people's congress workers.

Chen Huanyou pointed out: To commemorate the 40th founding anniversary of the people's congress, we must follow the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party basic line in earnestly studying a series of theoretical views and basic principles put forward by the CPC Central Committee and Comrade Deng Xiaoping on building socialist democracy with Chinese characteristics, and further understand the importance of always insisting on doing two types of work simultaneously and attaching equal importance to both, and of always adhering to the principles of democratic centralism in building the socialist democracy.

Chen Huanyou said: A complete legal system is needed to regulate and guarantee the establishment and refinement of the socialist market economy. People's congresses at all levels should energetically perform duties enshrined in the Constitution and laws, and enhance their legislative and supervisory roles as organs of state power. They should conscientiously perform the work of deputies, guarantee the right of deputies to perform duties in accordance with the law, and enhance their roles as the link that connects the party and government with the people.

Lastly, Chen Huanyou said emphatically: We should strengthen and improve the party's leadership over the work of people's congresses, give great prominence to the status and roles of people's congresses, strengthen the construction of people's congresses in all aspects, support people's congresses and their standing committees in exercising their powers in accordance with the law, and continue to push forward the construction of the socialist democracy and legal system.

Speaking at the discussion meeting were people's congress deputies Li Peiyu, Zhang Pinhua, (Zhang Yongtao), Wu Renbao, Wang Yang, (Hu Xujian), (Feng Jianqing), and (Hong Yinxin). Attending the discussion meeting were provincial leading comrades Zheng Silin, Sun Han, Cao Keming, Hu Fuming, Wang Xialin, Gao Dezheng, Zhang Yaohua, Wu Xijun, Chen Suiheng,

Zhang Chenhuan, Peng Sixun, and Tong Fu; Wei Changan, a comrade from the provincial military district; and veteran comrade Chu Jiang.

### Taiwan Investment Pours Into Jiangsu City

OW2109015894 Beijing XINHUA in English 0014  
GMT 21 Sep 94

[Text] Lianyungang, September 21 (XINHUA)—Dongtai city in east China's Jiangsu Province has attracted a growing number of Taiwan investors by providing efficient services, according to local sources.

By the end of August this year 38 Taiwan-funded businesses with a total contractual investment of 14 million U.S. dollars had been launched in Dongtai, a county-level city attached to Yancheng city.

Although the city's geographical and local conditions are not exceptional, the city has been made an ideal place for Taiwan investors partly because of its good services to them and to their family members, city officials disclosed.

For example, when he invested six million U.S. dollars in a timber product firm the Taiwan investor was worried about the education of his children, whom he had brought with him.

Learning of his situation, the city's Taiwan affairs office went to the city children's palace to select the best teachers to coach the Taiwan kids. The charges were the same as those for the local children.

Last December the general manager of a Taiwan-invested company and three other people were involved in a car accident in nearby Zhangjiagang city. On learning the news, the Taiwan affairs office immediately sent people to the scene to console the victims and to contact the local police and medical departments.

In recent years, the city government has made efforts to seek relatives of Taiwan compatriots and has found 713 of them. Besides, it has provided jobs for 30 Taiwan people and dealt with over 1,000 visits and letters between Taiwan compatriots and their family members.

### Jiangsu Maintains 'Stable' Financial Situation

OW2109162994 Beijing XINHUA in English 1449  
GMT 21 Sep 94

[Text] Nanjing, September 21 (XINHUA)—Jiangsu, one of China's most developed provinces, has maintained a stable situation for its financial sector.

During the first eight months, savings deposits of various kinds increased by 47.2 billion yuan, 16.3 billion yuan more than in the same period of last year. Loans increased to 18.18 billion yuan, 7.7 billion more than last year. In addition, 3.76 billion yuan was put into circulation, 473 million yuan less than last year.

Local officials said that the province in the east coast will offer new loans in support of some industrial enterprises that have good economic results and whose products sell well. It will specially meet the needs for circulation funds

for state large- and medium-sized enterprises and give reasonable support to loss-making enterprises.

The province also extended more loans to major infrastructure construction projects. Such loans increased 12.2 billion yuan in the first half of this year, 872 million yuan more than in the same period of last year.

### **Jiangsu Draws Up Industrial Blueprint**

HK2209102594 Beijing CHINA DAILY in English  
22 Sep 94 p 1

[By Sun Shangwu: "Jiangsu Maps Prosperity Plan"]

[Text] Booming Jiangsu Province in East China has mapped out an ambitious programme designed to quadruple the gross domestic product (GDP) of its prospering Suzhou-Wuxi-Changzhou region by 2020.

The blueprint aims to redraw the regional industrial layout, re-develop infrastructure, co-ordinate population control and natural resources exploitation, and improve the local environment, a high-ranking provincial official said.

The formulation of the plan is expected to avoid duplicate construction and boost the co-operation among the three industrialized cities, he said.

"The plan will help the region reach the economic level comparable to current developed countries in the world by the year 2020, which is 30 years earlier than the national development plan," Jiangsu Vice-Governor Ji Yunshi said.

By then, the tertiary industries such as finance, insurance, real estate and tourism will take a leading role in economic development.

"As a region next to China's financial centre Shanghai, it will be able to participate in the development of Shanghai's Pudong New Area and make full use of such advantages," Ji said.

The Suzhou-Wuxi-Changzhou region is the country's fastest developing area and the economic power house of Jiangsu Province. It became known mostly because of its surging township enterprises, the most dynamic sector of the local economy.

The three cities cover 17,500 square kilometres, or 16.8 per cent of the province. Their GDP, however, accounted for 41.1 per cent of the province's total last year.

Industrial development of the region will concentrate on upgrading its traditional industries and developing fundamental raw materials such as petrochemicals.

"The machinery and electronics industry will be put on the top of the region's industrial development agenda," the vice-governor said.

More foreign capital and advanced technology will be introduced into this field.

Under the plan, development of technology and capital-intensive products and enterprises will be encouraged.

Stable growth of grain and cotton production is the focal point of agricultural development, Ji said.

### **Jiangsu Acting Governor Speaks on Agriculture**

OW2209095494 Nanjing Jiangsu People's Radio  
Network in Mandarin 2300 GMT 18 Sep 94

[From the "Provincial News Hookup" program]

[Text] A provincial meeting of city mayors was held in Wuxi 17-19 September. At the end of the meeting, Acting Governor Zheng Silin stressed: An important task in the current economic work is doing a good job in cotton and grain procurement, autumn sowing, and in vegetable growing. We must unify our thinking, work in a down-to-earth way, and resolutely fulfill our various tasks in order to lay a solid foundation for safeguarding the overall interests of reform, development, and stability.

The main items on the agenda of this meeting, convened by the provincial party committee and provincial government, are: Conscientiously analyzing the situation, unifying thinking, exchanging experiences, clearly understanding policies, carrying out responsibilities, and adopting effective measures to do a good job in cotton and grain procurement this autumn, autumn sowing, and vegetable growing. Zheng Silin, deputy secretary of the provincial party committee and acting governor of Jiangsu, summarized the meeting. Cao Hongming, deputy secretary of the provincial party committee, and Yu Xingde, member of the standing committee of the provincial party committee and vice governor of Jiangsu, presided over the meeting and spoke. Vice Governor Jiang Yongrong spoke on a plan for cotton and grain procurement, autumn sowing, and vegetable growing. The meeting participants visited vegetable farms in Wuxi City to see how their vegetable basket projects were carried out, heard a report introducing the city's experiences, exchanged experiences, and briefed each other their future plans.

Zheng Silin said: Proceeding from safeguarding the overall interest, we must fully understand the importance of strengthening the position of agriculture as the foundation of the economy. Since the beginning of this year, the agricultural situation has been good as a whole, but we should be aware that there are some serious problems in agricultural production. Therefore, we must remain sober. We should give priority to agricultural and rural work and grasp it well.

Zheng Silin pointed out: In developing agriculture and the rural economy, the most urgent task now is to do a good job in cotton and grain procurement, autumn sowing, and vegetable growing. As for cotton and grain procurement, we must implement policies and measures, strengthen market management, and ensure the supply of procurement funds. Issuing IOU's to farmers is prohibited, and efforts should be made to ensure the fulfillment of various tasks. As for autumn sowing work, we must give priority to stabilizing and restoring the acreage

planted to cotton and grain. Producing areas should be encouraged to heed the overall interest and to boldly shoulder heavy burdens so as to make contributions to ensuring supply and demand in the province. In areas where cotton and grain are insufficient, the authorities should do their utmost to raise their self-sufficiency rate. In actual work, all localities should handle well the relationship between balanced supply and demand in the province and regional supply and demand, correctly handle the relationship between stabilizing cotton and grain production and developing diversified undertakings, and fulfill the cotton and grain sowing plans set by the provincial government. We must pay special attention to farm protection work. We must adopt resolute measures to stop the use of farmland for other purposes.

As for the vegetable basket work, we must devote efforts to vegetable production and hog raising and strengthen the building and management of nonstaple food markets.

Zheng Silin stressed: It is necessary to strengthen leadership over the cotton and grain procurement work, autumn sowing, and vegetable basket work. The principal leaders of governments at all levels must assume personal leadership over these tasks.

#### **Shandong Governor Inspects Foreign Trade Work**

*SK2209012594 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Sep 94*

[Text] From 18 to 20 September, Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, conducted investigations and study in Qingdao city on its development in science, education, and export-oriented economy. He stressed: To realize the province's economic and social development objective, we must realistically implement the strategy of giving priority to educational development, accelerate the development of scientific, technological, and educational undertakings, and raise the entire province's comprehensive scientific and educational level and the scientific and cultural qualities of the people throughout the province. In foreign economic and trade work, it is necessary to enhance consciousness of competition, raise the comprehensive efficiency of foreign trade by relying on deepening reform and strengthening management, and unceasingly make the province's foreign trade work comprehensively develop.

On the afternoon of 18 September, accompanied by Yu Zhengsheng, secretary of the Qingdao city party committee and mayor, Zhao Zhihao held talks with the teaching faculty of Qingdao Oceanology College, fully affirmed its contributions to Shandong's development during recent years, and expressed the hope that it will turn the college into a high-quality one, train high-quality professionals, and create high-quality achievements.

During the investigation, Zhao Zhihao offered important views on foreign economic and trade work. He said: Since the beginning of this year, our province has rapidly

developed its foreign economic and trade work and made great achievements. Under the current situation in which difficulties are fairly great in number, the broad masses of workers on the province's economic and trade front should enhance their spirit, sum up experiences, recognize disparities, drop burdens, exert efforts to work, and enable the whole province's export-oriented economy to develop in a more rapid and better manner.

#### **Kuiwen District Established in Shandong**

*SK2209034194 Jinan DAZHONG RIBAO in Chinese 10 Sep 94 p 1*

[Text] With the approval of the State Council, a new county-level district, namely Kuiwen District, was established in Weifang city. On 8 September, main departments of Kuiwen District formally hung shingles and handled official business.

This newly established district has jurisdiction over the towns, townships, villages, and neighborhood committees under the former Weicheng District to the east of Bailang He, as well as the eight administrative villages under the former Hanting District. Kuiwen District occupies an area of 78 square km and has a population of 256,000 people.

#### **Shandong To Execute Kidnappers, Drug Dealers**

*SK2209024494 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Sep 94*

[Text] It was learned at a news conference held by the provincial Higher People's Court that an exceptionally large criminal gang of 10 criminals led by (Zhao Aifeng), who were found guilty of human and drug trafficking, were recently strictly punished according to the law.

(Zhao Aifeng) was a peasant of Pucheng County, Shaanxi Province. From May 1986 to April 1991, he ganged up with nine other criminals in Henan and Shandong to abduct 41 women in Shaanxi, Henan, and Shandong to Hebei and Shandong in the name of doing business with them—babysitting—and sightseeing—and gained more than 155,000 yuan of illicit money. During this period, this criminal gang also trafficked in 1,200 kg of opium and was arrested when it was preparing to sell the opium after processing it.

Criminals (Zhao Aifeng), (Yin Tongbin), and (Wu Shude) were sentenced to death according to the law. (Zhao Jiayan), (Li Huanbao), and (Eu Xiangyi) were sentenced to death with two years reprieve.

Four criminals, including (Liu Xiuqing), were respectively sentenced to fixed-term imprisonment ranging from three to 15 years.

#### **Wu Bangguo, Others Attend CPPCC Anniversary**

*OW2109135394 Shanghai People's Radio Network in Mandarin 2300 GMT 18 Sep 94*

[From the "990 Morning News" program]



[Text] People from various sectors in Shanghai joyously gathered at the Jianghai Hall of the Municipal Committee of the Chinese People's Political Consultative Conference [CPPCC] Building to mark the 45th founding anniversary of the PRC and the CPPCC, as well as to celebrate mid-autumn festival. Municipal leaders, including Wu Bangguo, Huang Ju, Chen Zhili, Chen Liangyu, Chen Tiedi, Zhao Qizheng, Xu Kuangdi, Jin Binghua, Zhang Huixin, Ye Gongqi, Sun Guizhang, Hu Chuangzhi, Gu Nianzu, Chen Mingshan, Wu Zhaoguang, Sha Lin, Gong Xueping, Shi Zhusan, Yang You, Zheng Lizhi, Zhao Dingyu, Liu Hengchuan, (Hu Ruihang), and (Ni Hongfu) attended the evening party. Also present were: (Chen Guodong), (Hu Liqiao), (Wang Yiping), (Han Zeyi), (Yang Shijie), (Yang Di), (Zhang Chengzhong), (Li Guohao), and (Xie Xide).

Addressing the gathering, Chen Liangyu, deputy secretary of the municipal party committee, said: Under the leadership of the party's Central Committee and the State Council and with concern of Deng Xiaoping and other older generation of the proletarian revolutionaries and hard work of the people of the municipality, Shanghai has been able to secure marked success in reform and opening-up and economic construction. Chen Liangyu said: Judging from the prevailing conditions, we may say with full confidence that the people of Shanghai will never let down Comrade Xiaoping's ardent expectations and will wage a hard struggle to overcome all difficulties in order to completely fulfill this year's projects to realize the goal of bringing major changes every three years.

Chen Tiedi, member of the standing committee of the municipal party committee and chairwoman of the municipal committee of the CPPCC, said: The CPPCC has been growing together with the republic for the past 45 years and has an even more important role to play in shifting the work focus of the party and the state to economic construction and in actively promoting reform and opening-up under the new historic period.

Shanghai's literary and art workers presented theatrical performances at the party function. Upon invitation, Mayor Huang Ju sang the song "Dare to Ask Where the Road Is" which won him a warm applause. When moderator humorously asked Huang Ju where the road for Shanghai's further opening-up will be, Huang Ju readily replied that it will be under the feet of its 13 million people. The episode climaxed the gathering.

#### **Report on Daily Production, Consumption in Shanghai**

OW2109081294 Beijing XINHUA in English 0319  
GMT 21 Sep 94

[Text] Shanghai, September 21 (XINHUA)—People who visit this China's largest economic center, would be surprised to see the metropolis take on a new look almost every day.

Shanghai produces 400 Santana sedans a day, over 60,000 tons of iron and steel, 10,000-kilowatt power

generating units, 3,000 refrigerators, 3,500 washing machines, 700 videocorders, 1,000 air-conditioners and 55 fax machines.

It generates output value totalling 1.2 billion yuan a day and delivers 80 million yuan to the state in profit and tax.

Every day, over 100 enterprises and joint ventures including 11 foreign-funded enterprises settle in the city, which imports 30 million U.S. dollars of foreign capital.

Shanghai imports and exports 100 million yuan worth of goods per day and sells 400 million yuan worth of goods on the domestic market.

One financial agency has been set up in Shanghai in less than two day on average since last year, bringing the total number up to more than 500 with the daily accommodation funds totalling 400 million yuan.

The development of the market economy has enlivened Shanghai's economic life.

Shanghai has about two million people involved in the stock business.

Every day, they crowd in 300 stock exchanges. The daily transaction volume goes up to 8.1 billion yuan.

However, fast economic development brought about a heavy burden on communication and transportation.

Every day, the staff in the international department of the telecommunications building in the downtown Shanghai have to handle at least 37,000 international telephone calls and 480,000 domestic long-distance calls.

The urban buses have to carry 15 million passengers, the same as the whole population of Shanghai.

In the newly-expanded Hongqiao airport in southwest suburbs of Shanghai, over 200 airliners take off or land.

Workers at the Shanghai port, the second largest in the world, load and unload more than 400,000 tons of goods for about 50 ships of 10,000 deadweight tons (DWT).

About 37,700 vehicles enter or leave Shanghai every day, and 200,000 tourists pay a visit to this leading industrial center.

To further boost the economy, Shanghai has spared no effort in upgrading its infrastructure.

More than 800 families and 100 individuals have telephones including cellular phones installed each day since last year.

Up to now, there is one telephone for every four households.

People in Shanghai are now able to make a telephone call directly to 22 countries via satellites, submarine cables and optical fibres cables.

Besides, fax machines, electronic mails and bill exchange services also help bridge Shanghai with other parts of the world.

In urban Shanghai, over 100,000 fax machines together with the radio communication network keep people abreast of the latest information about stock market, foreign exchange rates and futures market.

At present, Shanghai is working flat out to cope with the increasing traffic by building overpasses, high-quality roads and subways.

### Shanghai Port To Handle 1 Million Containers

OW2209043094 Beijing XINHUA in English 0203 GMT 22 Sep 94

[Text] Shanghai, September 22 (XINHUA)—The container throughput of Shanghai Port is expected to top one million TEU's [twenty-foot equivalent units] this year, sources at the city's customs office said.

From January to August of this year the port handled 736,000 TEU's, a 33.2 percent increase over the same period of last year.

The port handled 935,000 containers last year, accounting for one third of the total handled by China's ten largest ports.

Shanghai is China's center for sea transportation and foreign trade. Over one tenth of China's import and export commodities go through the port.

The port handled 20.494 billion U.S. dollars worth of foreign trade goods in the first eight months of this year, a 25.1 percent increase over the same period of last year.

The handling capacity is expected to reach three million containers a year by the year 2000.

### Huangpu Tourism Festival Opens 21 Sep in Shanghai

OW2109164494 Beijing XINHUA in English 1555 GMT 21 Sep 94

[Text] Shanghai, September 21 (XINHUA)—The Huangpu Tourism Festival opened today in this industrial and economic center of China.

Thousands of tourists from more than 20 countries, including the United States, Britain, France, Germany, Italy, Canada, Spain, Japan and Singapore, together with local people, celebrated the opening of the festival on the bund (waterfront) of the city.

The Huangpu River, Songjiang River, old downtown, Pudong New Area and Yuyuan Park are all tourist attractions.

During the one-week festival, fashion shows, concerts and other cultural activities will be conducted.

### Zhejiang's Li Zemin Addresses People's Congress

OW2109141694 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 20 Sep 94

[From the "Provincial News Hookup" program]

[Text] More than 1,500 representatives of various circles held a meeting in the provincial Great Hall of the People

this morning to commemorate the 40th anniversary of the founding of the People's Congress and the 15th anniversary of the establishment of the standing committees by local people's congresses. Li Zemin, secretary of the Zhejiang Provincial CPC Committee and chairman of the provincial People's Congress Standing Committee, made an important speech at the meeting.

He said: The system of people's congresses is a fundamental political system with Chinese characteristics. Over the past 40 years, especially in the past 15 years since the establishment of the standing committees by local people's congresses at and above the county level in 1979, the system of people's congresses has improved and developed, playing a very important role in Zhejiang's political, economic, and social affairs. The situation and tasks in the new period have set new and higher demands on the building of the socialist democratic legal system and the system of people's congresses. We must be aware of the urgency and importance of adhering to and improving the system of people's congresses in the new period, improve the work of people's congresses, and make new contributions to accelerating the building of the socialist democratic legal system in Zhejiang.

Li Zemin's speech consists of three parts: 1) the system of people's congresses is a fundamental political system with Chinese characteristics; 2) fully understanding the urgency and importance of adhering to and improving the system of people's congresses in the new period; and 3) further improving the work of people's congresses so as to make new contributions to adhering to and improving the system of people's congresses.

Provincial and city leaders who attended today's meeting included Chai Songyue, Wang Qidong, Yang Bin, Zheng Shu, (Chen Yeqing), Chen Fawen, Xia Zhonglie, Ge Shengping, (Wang Youming), as well as veteran members of the past provincial and city people's congresses, including Tie Ying, Chen Anyu, Wu Minda, (Wu Tiequan), (Yu Juyi), Li Yuhua, (Zhou Zhuxiang), and Wang Yimin. Responsible persons of the provincial and city party and government departments, of various democratic parties, and of people's organizations, and representatives of various circles in society also attended today's meeting, which was presided over by Li Jinming, member of the Standing Committee of the Zhejiang provincial party committee, secretary of the Hangzhou city party committee, and chairman of the city People's Congress Standing Committee.

### Li Zemin Addresses Zhejiang School Work Conference

OW2209095294 Hangzhou ZHEJIANG RIBAO in Chinese 11 Sep 94 pp 1, 4

[Unattributed report: "A Further Step Must Be Taken To Improve the Work of the Party School"]

[Excerpts] A provincial party school work conference was held in Hangzhou from 7 to 9 September. Li Zemin, secretary of the provincial party committee, emphasized

at the conference: We should take a further step to make party committees at all levels and the vast number of cadres understand more about the extreme importance of the study of theories. We should know that the party schools are important to party building, to training cross-century successors to the socialist cause, and to upholding the party's basic line for 100 years without wavering.

Liang Pingbo, member of the standing committee and director of the propaganda department of the provincial party committee, chaired the conference. Wang Qichao, member of the standing committee and president of the party school of the provincial party committee, delivered a report on behalf of the provincial party committee.

Li Zemin said in his speech: To arm the whole party with the theory on building a socialism with Chinese characteristics is a strategic task put forward by the 14th Party National Congress, as well as a basic work of party building and a fundamental task in improving the party's ideological theories. In the final analysis, we must also arm the leading cadres at all levels with the theory on building a socialism with Chinese characteristics, if we are to persevere in the party's basic line, maintain long-term peace and stability, and keep the continuity and stability of the line, principles and policies laid down since the Third Plenary Session of the 11th CPC Central Committee. Our cadres must adapt themselves to the current situation and tasks and improve themselves in terms of knowing ideological theories, understanding reforms, and understanding the leading and basic role played by the market in resource allocation. Generally speaking, the composition and quality of Zhejiang's cadre force are good. A large number of young cadres have taken leading posts at various levels, and they constitute an organizational guarantee for this province to become reasonably prosperous by the end of the century and achieve further development in the next century. However, our cadre force still lags behind the requirements of new tasks under the new situation. Some cadres still lack a systematic understanding of the theory on building a socialism with Chinese characteristics. They have not yet thoroughly understood the party's basic line and the strategic principle of building both material and spiritual civilizations simultaneously. So, they are apt to have one-sided views in practical work. In order to improve such a situation, we must make the cadres conscientiously study theories and truly understand the Marxism of contemporary China.

Li Zemin said: At present, the party schools should mainly teach the theory on building a socialism with Chinese characteristics, the theories of socialist market economy, and new knowledge necessary to reform, opening up, and modernization. The party schools should guide cadres in working hard in the following respects: 1) To study relevant basic theories so as to comprehensively, completely and accurately understand the theory on building a socialism with Chinese characteristics; 2) to understand the theory on building a socialism with Chinese characteristics in light of the

general tasks of the party and correctly handle the relations among reform, development and stability; 3) to study the theories of socialist market economy in light of the realities of reforms; and 4) to study basic party building theories in connection with questions about the party's organizational construction. He emphasized that the party schools must integrate the teaching of theories with the toughening of party character and with the remolding of world outlook. They must educate cadres to be diligent and honest in performing official duties and to resist corruption and prevent moral degeneration. [passage omitted]

Wang Qichao said in his report: Under the new situation, the fundamental tasks of the party schools at various levels are to arm the leading cadres with Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics, train backbone theorists, conduct research on theories, and publicize relevant theories, in light of the practical work of reform, opening up, and socialist modernization. At present, they should particularly pay attention to the study Volume 3 of the "Selected Works of Deng Xiaoping" so as to promote the strategic task of arming the whole party with Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics—a task put forward by the 14th Party National Congress. [passage omitted]

The responsible comrades of some city and county party committees in charge of the party school work and some party school presidents spoke during the conference. They discussed how party committees should strengthen their leadership over the party school work and how to run the party schools well to meet the new situation.

Present at the conference were Lu Zushan, secretary general of the provincial party committee; responsible persons of the departments concerned under the provincial party committee and the provincial government; deputy secretaries in charge of the party school work, directors of the organization departments, directors of the propaganda departments, and party school presidents of all city and prefectural party committees; and leading cadres in charge of the party school work and party school presidents of some county (city, district) party committees. The leading cadres in charge of the party school work, directors of the organization departments, directors of the propaganda departments, and members of the leading groups of party school of all counties (cities, districts) listened to the provincial conference speeches at local telephone conference rooms.

### **Zhejiang Takes Measures To Curb Inflation**

OW2209105294 Hangzhou ZHEJIANG RIBAO in Chinese 7 Sep 94 p 1

[By reporter Cheng Weimin (4453 3634 3046): "This Province Has Adopted Effective Measures To Curb the Increase of Commodity Prices In Line With the Arrangements of the CPC Central Committee and the State Council]



[Excerpts] The provincial government yesterday held a province-wide teleconference on curbing inflation. Governor Wan Xueyuan and Vice Governors Chai Songyue and Long Anding attended the conference.

In the conference, Chai Songyue asked governments at various levels and concerned departments to consider the work of reining in inflation as a prominent task in carrying out economic work in the second half of this year. He said: A conspicuous contradiction in the economic life of this province at present is the sharp increase in commodity prices and the fact that the pressure of inflation is very high. The high general level of commodity prices is mainly due to the structural adjustment of commodity prices. Inflation will mislead the allocation of resources, create confusion in consumption, and will be unfavorable to the healthy development of the economy, and is also unfavorable to maintaining social and political stability. Therefore, we must fully understand the harmful nature of inflation and firmly implement the policy and measures decided by the CPC Central Committee and the State Council to counter inflation, and consider the work of curbing inflation as a key link and primary task in properly handling relations between reform, development, and stability. We must consider the work of curbing unreasonable increases of commodity prices as a main task at present, place the work on our important agenda, adopt effective measures, and strive to reduce the extent of price increase.

Chai Songyue said: The State Council has clearly stipulated that governments at various levels should be responsible for controlling the general level of commodity prices and the results of controlling retail prices of various commodities will be a main criterion in evaluating the administrative performances of governments at various levels. The price indexes should be publicly announced monthly. The provincial government has decided to announce price indexes of commodities in 11 cities and prefectures, and various cities and counties should act accordingly. Leading cadres at various levels must not only pay attention to promoting economic growth, improving quality and raising economic efficiency but also attach importance to stabilizing commodity prices, ensuring social stability, and easing people's minds. At present, we must vigorously grasp the work of the "rice bag," "vegetable basket" and the supply of agricultural means of production, and keep commodity prices down. Stabilizing the prices of food grain, edible oil, pork, vegetables, and agricultural means of production will be the key task in curbing inflation in this province. [passage omitted]

Chai Songyue emphatically pointed out: In the second half of this year, we must not announce any new price adjustment or arbitrarily raise funds. The central authorities have clearly stipulated that governments at various levels must not make any new price adjustment in the second half of this year. We must strictly prevent chain reactions in the adjustment of commodity prices during the first half of this year. This is a firm measure to rein in inflation at present. [passage omitted]

## Central-South Region

### Guangdong Conference Views Rural Public Security

HK2209071894 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 21 Sep 94

[Text] A three-day provincial work conference on public security and public order in rural areas was begun today in Boluo County. Provincial, city, and county principal leaders, and responsible people from the public security departments, the commissions on politics and law, the civil affairs departments, and the committees for the comprehensive management of public security from all parts of the province, a total of 302 people, attended the meeting.

Provincial Governor Zhu Senlin gave a speech.

He stressed: Party and government leaders at all levels must attach great importance to the issue of law and order in rural areas, conscientiously adhere to the principle of using both hands to grasp the work and keeping both hands tough, seriously deal with the prominent public order problems in rural areas, include the comprehensive management of public security in the overall plan for building the material and spiritual civilizations in rural areas, and make consistent efforts in this regard.

### Acreage for Late Crops Expanded in Guangdong

OW2209093194 Beijing XINHUA in English 0711 GMT 22 Sep 94

[Text] Guangzhou, September 22 (XINHUA)—To achieve a good grain harvest despite August floods, south China's Guangdong Province has greatly expanded the sowing area for late crops.

According to agricultural officials, the acreage for late crops reached more than 1.72 million hectares in the province, a rise of about 6.5 percent from last year.

Thanks to the expansion of the acreage of early crops, the province got a good spring grain harvest this year. But since June, the province has frequently been visited by floods and suffered big losses.

The province's goal of grain output set for this year is 17.5 billion kilograms.

### Shenzhen Inspectors Tried for Factory Fire

HK2209101294 Beijing CHINA DAILY in English 22 Sep 94 p 3

[By Zhang Xingbo: "Two Tried for Role in Shenzhen Blaze"]

[Text] Shenzhen—Two former fire prevention supervisors linked to a disastrous conflagration in a joint venture in Shenzhen were tried at the local people's court over the past week.

The result of the trial is expected to be announced soon.

Charged with neglect of duty and accepting bribes were Wu Xinghui, of the local public security bureau's Tianbei Fire Brigade, and Li Jianzhao, of the bureau's Shatoujiao Fire Brigade.

The two accused were detained by the Shenzhen Public Security Bureau last November 24, after a blaze at the Zhili Handicraft Articles Factory took the lives of 84 young workers on November 19.

On January 5 this year, the city's People's Procuratorate approved the arrest of the two accused after an investigation. On July 5, the case was transferred to Longgang District People's Procuratorate for further investigation and prosecution.

According to the procuratorate's indictment and prosecution report, the two accused were appointed by the city's fire bureau in January last year as fire prevention supervisors in charge of the towns of Kuichong, Dapeng and Nanao. Wu was head of the two-man team.

On March 3 when Li inspected fire prevention measures at the Zhili factory in Kuichong, he found its workshop building's two north gates were welded shut and its electricity shutoff switch was connected with a copper wire instead of a safety fuse. Instead of issuing the legally required Rectification Notice of Hidden Fire Danger, he reported the problems orally to the factory's management. The two fire hazards later led to the disastrous blaze.

After the initial inspection, the two accused failed to check whether the problems had been rectified.

Instead, Wu accepted a bribe of HK\$3,000 from factory director Huang Guoguang, and then ordered Li to certify that the work had been done. Wu also accepted HK\$6,000 in bribes from three other factories.

#### **Guangxi Holds Meeting on Education Program**

*HK2209071694 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 20 Sep 94*

[Excerpts] On the morning of 20 September, the regional party committee propaganda department held a meeting on studying and implementing the program for patriotic education. The meeting was presided over by Yang Jichang, regional party committee standing committee member and director of the propaganda department. Zhao Fulin, secretary of the regional party committee, and Ding Tingmo, deputy secretary of the regional party committee, attended the meeting and also made speeches.

Zhao Fulin said: Patriotic education is a basic task for enhancing the overall quality of the whole nation. Under the new situation of reform, development, and stability, strengthening patriotic education will increase the rallying force of the nation, increase the momentum of reform and development, and unite the entire people of all nationalities to work hard in the process of building socialism with Chinese characteristics. Patriotic education is also a necessity for bringing up a generation of new socialist people to straddle two centuries.

He pointed out: At present, patriotic education in this region should be connected with the actual conditions of Guangxi, giving prominence to the following subjects:

First, strengthening the unity of nationalities. [passage omitted]

Second, boosting the economy of Guangxi. [passage omitted]

Third, encouraging people to make contributions to construction on their own home land.

Fourth, encouraging people to work conscientiously at their own posts and be faithful to their own duties and create outstanding work performances in ordinary posts.

Fifth, striving to realize the common ideal of making China prosperous and powerful.

Zhao Fulin stressed: Party committees and administrative organs at all levels should conscientiously study and deeply understand the program for patriotic education. On the basis of study, they should formulate their concrete steps for implementing the program in connection with the actual conditions of this region. [passage omitted]

#### **Southwest Region**

##### **Southwest Region, Guangxi To Form Common Markets**

*OW2109163194 Beijing XINHUA in English 1438 GMT 21 Sep 94*

[Text] Beijing, September 21 (XINHUA)—Sichuan, Yunnan and Guizhou Provinces, and the Guangxi Zhuang and Tibet Autonomous Regions, which are all in China's southwest, are to jointly build a number of common markets to promote the region's economic development.

The five provinces and autonomous regions have decided to provide each other with convenient conditions in land use, prices, capital investment, loan interest, transportation and telecommunications in the areas where such markets are to be built.

They will join hands in the production, supply and sales of products. Priority will be given to provinces and autonomous regions in the area in supply and purchase of materials in short supply.

The common markets under construction or being planned include markets for tobacco, timber, rubber and nonferrous metals in Kunming, capital of Yunnan; for coal and aluminum in Guiyang, capital of Guizhou; for electronics products, machinery and electronics, motorcycles, motor vehicles, steel and securities in Sichuan; and for sugar, sea food, fruits and vegetables and foreign currency exchange in Guangxi.

##### **Guizhou Secretary Sets Levels for Town Enterprises**

*HK2209071494 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 19 Sep 94*

[Excerpts] A provincial meeting on township and town enterprises opened in Guiyang yesterday urging localities to further deepen reform, exert themselves, and

overfulfill all their plans in the remaining 100 days of this year. Chen Shineng, provincial deputy secretary and governor, presided over the meeting. Yuan Ronggui, member of the provincial party committee's standing committee and vice governor, made a report on the province's township and town enterprises.

The meeting pointed out: Over the last few years, Guizhou township and town enterprises have maintained a good trend of simultaneous development of rates and results. From January to August, township and town enterprises throughout the province had a total output value of 10.42 billion yuan, an increase of 45 percent over the same period last year. To ensure a development trend for township and town enterprises throughout the province, as required by the provincial party committee and government this year, all localities must conscientiously implement the current meeting's instructions. All localities and departments must take the fulfillment of township and town enterprises' economic indices as an important component of comprehensive fulfillment of this year's national economic plan and serve township and town enterprises so that these enterprises will move full steam ahead. [passage omitted]

Provincial CPC Secretary Liu Fangren stressed that all localities must further emancipate their minds and devote more effort to expediting their development so that township and town enterprises' economies will develop to new heights.

Liu Fangren said that township and town enterprises throughout the province must bring about large-scale development and large-scale improvement. Today, and in the coming years, they must do well in making the following six breakthroughs:

1. They must make a new breakthrough in their development plans. They must develop the economies in central Guizhou and its surrounding areas to promote the province's rural economic development.
2. They must make a new breakthrough in ownership and management. All localities must expedite the implementation of the shareholding cooperative system in township and town enterprises and strongly encourage the development of private and individual enterprises and the establishment of township and town enterprises.
3. They must make a new breakthrough in terms of development mode. On the one hand, they must concentrate newly built industries and tertiary industries in small areas, towns, and townships or above the town and township levels. On the other hand, they must pay attention to agricultural expansion. [passage omitted]
4. They must make a new breakthrough in increasing investments. All localities must further improve their mentality about opening up and make great efforts to develop township and town enterprises.
5. They must make a new breakthrough in development scope. Township and town enterprises must create conditions for the development of enterprise groups to strengthen their market competitiveness.

6. They must make a new breakthrough in adjusting their industrial structure and the structure of ownership and management. All localities must [words indistinct] do well in developing agricultural and sideline products, foreign-exchange-earning export commodities, and brand-name products. [passage omitted]

#### Tibet's Chen Kuiyuan, Others Hear Briefings

OW2109132694 Lhasa XIZANG RIBAO in Chinese  
5 Sep 94 p 1

[Unattributed report: "Strong Atmosphere of Study, Great Enthusiasm for Discussion"]

[Text] In the four days since the opening of the Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee, the attendees, with a great enthusiasm, have thoroughly read relevant documents of the Third Forum on Tibet Work, seriously studied their main points, vied to express their views, kept enhancing their understanding, and achieved an ideological unity. They have known clearly their heavy responsibility, gradually worked out the thinking and measures to achieve an extraordinary development, and had a firm grasp of the major policies for ensuring stability. Comrade Guo Jinlong, deputy secretary of the autonomous regional party committee, said that the attendees, with a great enthusiasm for study and discussion, have met all the requirements of the first stage of the meeting.

Chen Kuiyuan, secretary of the autonomous regional party committee, and its deputy secretaries Raidi, Gyaincain Norbu, Guo Jinlong, Basang, and Danzim were briefed by the conveners of various small groups of the meeting on 4 September. Comrade Guo Jinlong set some demands for the attendees to study the guidelines of the forum in the next stage.

The attendees at the current meeting are displaying a good study style of integrating theory with practice and of thoroughly reading relevant documents. They take part in study and discussion with a high degree of sense of political responsibility and historic mission. Many of them made full preparations before speaking and their discussion was comprehensive and profound.

The attendees from Lhasa City always voluntarily arrive at the meeting place 20 minutes early in the morning to read documents first. In discussion, they adhere to the guidelines of the forum to study problems thoroughly. Through the study and discussion, some counties already have preliminarily formulated the basic concept for their economic and social development. They are determined to take the opportunity of the current session to thoroughly comprehend the guidelines of the forum, and "return home with a brain full of useful knowledge."

The attendees from Nyingchi Prefecture carefully read documents both during and after the meeting. They diligently write reports and strive to comprehend the guidelines of the forum thoroughly and accurately.



During discussion, the attendees from Ngari Prefecture never engage in empty talk nor parrot others. They strive to learn useful, essential things; straighten out development concept; and work out a high-standard, high-speed and high-efficiency development strategy.

The four days of intense study and discussion have enlightened and inspired the attendees. They have doubled their confidence and firmed their determination. They have shown to the reporters the new measures and new efforts to eliminate backwardness and achieve long-term peace and stability in Tibet.

#### **Living Buddha Garmaba Visits Tibetan Monastery**

OW2209085894 Beijing XINHUA in English 0825  
GMT 22 Sep 94

[Text] Lhasa, September 22 (XINHUA)—The 10-year-old living Buddha Garmaba of Curbo temple drove 280 km Wednesday [21 September] to pay homage to Zhaxi Lhunbo monastery, the residence of Panchen Lama in Xigaze city.

Garmaba, for the first time, paid tribute to the stupas of Panchen Lamas, the largest gilded bronze statue of Buddha and the biggest lama's robe in the world. He also touched disciples' heads to bless them.

Zhaxi Lhunbo is the fourth largest monastery of the Gelugpa school (yellow sect) of Tibetan Buddhism. And O'kying Chilai is the head of white sect. The lamas of Zhaxi Lhunbo monastery greeted Garmaba and his entourage by auspiciously blowing trumpets and sending them miniatures of stupas and quality Tibetan incense sticks. And Curbo temple gave offerings to lamas and all halls of the Zhaxi Lhunbo monastery.

Qazha Qamba Chili, member of the Standing Committee of the Chinese People's Political Consultative Conference (CPPCC) National Committee, vice-chairman of the regional committee of the CPPCC and head of the Democratic Administrative Committee of Zhaxi Lhunbo monastery, showed O'kying Chilai around Zhaxi Lhunbo monastery.

Living Buddha Garmaba showed particular kindness to Qazha Qamba Chili, who is almost 50 years older than himself. Before leaving Zhaxi Lhunbo, the young living Buddha held Qazha's hand and invited him to visit Curbo temple.

This is the young living Buddha Garmaba's first trip to the sacred, rear part of Tibet, according to lamas of Curbo temple.

Tuden Sambu, a tutor of the living Buddha, spoke highly of Garmaba, who is obsessed in Buddhism and able to recite about 500 pages of sutras, as an 18-year-old lama.

#### **Yunnan Province Makes Headway in Energy Industry**

OW2109042994 Beijing XINHUA in English 0336  
GMT 21 Sep 94

[Text] Beijing, September 21 (XINHUA)—Southwest China's Yunnan Province now has a total electricity-generating capacity of 3.27 million kw, an 11.3 percent increase over the past ten years.

The electric power projects under construction are designed to have a generating capacity of 17.2 million kw.

Yunnan has a total water power reserve of over 100 million kw, equal to about 20 percent of China's present total, and proven coal reserves of 23 billion tons.

Since 1984 the province has boosted energy development by attracting both Chinese and overseas funds.

It has built hydropower stations with loans from the World Bank, and jointly with the central government, major enterprises and other provinces.

#### **North Region**

##### **Beijing Secretary Speaks at Rally**

SK2209071694 Beijing BEIJING RIBAO in Chinese  
9 Sep 94 pp 1, 3

[Excerpts] A rally was held ceremoniously at Beijing Garrison on 8 September to mark the 50th anniversary of the publication of Comrade Mao Zedong's "Serving the People" and the 50th anniversary of the sacrifice of Comrade Zhang Side. General Gu Shangqing, political commissar of the Beijing Military Region, read the inscriptions written by Jiang Zemin, general secretary of the CPC Central Committee, president of the state, and chairman of the Central Military Commission; and Liu Huaqing and Zhang Zhen, vice chairmen of the Central Military Commission. Chen Xitong, secretary of the municipal party committee and first secretary of the party committee of the Beijing Garrison; and Lieutenant General Zhou Ziyu, deputy director of the General Political Department of the Liberation Army, attended and addressed the rally. [passage omitted]

Chen Xitong said in his speech: It has a very important significance for us to commemorate today the 50th anniversary of the publication of Comrade Mao Zedong's magnificent work—"Serving the People"—and the 50th anniversary of the sacrifice of Comrade Zhang Side. In the past, this magnificent work and the heroic deeds of Zhang Side educated and encouraged several generations of people to work for our great ideals; and, today, they are still playing a tremendous role as a spiritual encouragement and still need us to learn from. With the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics, the guidance of the party's basic line, and the leadership of the party Central Committee with Comrade Jiang Zemin as the core, we are developing a great undertaking—building China into a prosperous and rich country and enabling Chinese people to become affluent together, achieve a fairly comfortable life, and reach the level of moderately developed countries after the hard work of several generations. Working hard for this great and noble goal, even if this means sacrificing one's life, is weightier than Tai Shan; and money worship, pleasure-seeking, and ultra-individualism are lighter than a feather. To attain this goal is the best way to commemorate the publication of "Serving the People" and Comrade Zhang Side.

Chen Xitong said: To serve the people still better, we must uphold truth, have the courage to correct our drawbacks and mistakes, unite as one, and work hard together to attain our ideals. The achievements in reform and opening up are there for all to see, people's living standards are improved, productive forces are developed, and the overall national strength is enhanced. However, there is no experience to learn from in the brand-new undertakings of reform and opening up; brave exploration is still needed; and there are still many difficulties and areas with which the masses are not quite satisfied. Despite the difficulties, we should see the achievement and the bright side and have more courage. We should be determined to fear no sacrifice, and we should eliminate difficulties to win a success. The future is bright, and we have full confidence in this. Inspired by Comrade Mao Zedong's magnificent work—"Serving the People"—and the spirit of Comrade Zhang Side, we will win the final success in the socialist undertakings and win victories one after another in reform, opening up, and army building.

Zhou Ziyu said in his speech: The inscriptions of central leaders fully epitomized Comrade Zhang Side's spirit and fully embodied the great importance that the party Central Committee and the Central Military Commission attached to the spirit of serving the people wholeheartedly and to the promotion of the socialist spiritual civilization. The more reform, opening up, and the socialist market economy are developed, the more we should firmly embrace the idea of serving the people wholeheartedly, so that such a spirit can be carried forward continuously in the course of practice. He said: In learning from and developing the spirit of serving the people wholeheartedly, the most fundamental work is to arm our minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and to have more awareness and be more steadfast in implementing the party's basic line. In learning from and developing the spirit of serving the people wholeheartedly, a very important issue is to educate the vast number of officers and men to embrace correct outlook on life and value and to always maintain the political nature of the people's army. In learning from and developing the spirit of serving the people wholeheartedly, the work we should do most frequently and in the greatest amount is to make contributions in our own posts and to devote efforts to the modernization of the army. Learning from and developing the spirit of serving the people wholeheartedly is a long-term task for the whole army to achieve progress in ideology. The unit to which Comrade Zhang Side belonged to during his lifetime should all the more stand at the fore in this carrying out this task.

Present at the rally were Wang Zuoyi [3769 0155 5030], deputy political commissar of the Beijing Military Region; Tian Shugen [3944 2579 2704], director of the Political Department of the Beijing Military Region; Bayinchaolu, secretary of the Central Committee of the Communist Youth League; Li Jian, secretary general of

the Yanan Spirit Research Society; and Tong Xigang [0157 0823 0474], deputy commander, Chen Jingtuo [7115 2417 2094], deputy political commissar, and Li Wenhua [2621 2429 5478], director of the Political Department of the Beijing Garrison.

### Beijing People's Congress Approves Personnel Changes

SK2209071394 Beijing *BEIJING RIBAO* in Chinese  
10 Sep 94 p 3

[Text] On 9 September, the 12th meeting of the Standing Committee of the 10th Beijing Municipal People's Congress approved the appointment of Sun Jiaqi [1327 1367 7496] as director of the Beijing Municipal Local Tax Bureau [concurrent]; the appointment of Lin Pusheng [2651 3184 3932] as director of the Beijing Municipal Higher Education Bureau; and the removal of Chen Zhong from the post of director of the Beijing Municipal Higher Education Bureau.

### 'Xiaoping' Restaurant Appears in Beijing

HK1909150794 Beijing *ZHONGGUO XINWEN SHE*  
in English 1246 GMT 19 Sep 94

[Text] Beijing, September 19 (CNS)—Streams of customers patronize a newly opened restaurant in Beijing not for its dishes nor for its special taste which actually bear no difference from thousands of other restaurants here in which Sichuan cuisine dishes are available, but for its name which is named after "Xiaoping".

The restaurant called "Xiaoping Douhuazhuang" is situated at north of the Lufthansa Commercial Centre, east of the municipality. It was originally a restaurant serving Guangdong cuisine and was later contracted by a group of young persons from Chongqing, Sichuan Province who changed its name to the present one.

One of the business partners of the restaurant said that Deng Xiaoping is a native of Sichuan and they wished him health and added that it would be best if he could visit the restaurant. The duty manager of the restaurant did not deny that by making "Xiaoping" part of the restaurant's name is out of the "celebrity effect" but he added that the general manager of the restaurant Mr. Liu Songtao bears the alias "Xiaoping". The high grade restaurant hall occupies a floor space of 200 sq. metres and its fixings are simple and unsophisticated. The "Xiaoping" restaurant has no other branch in the municipality.

### Animal Husbandry Booming in Rural Inner Mongolia

OW2009031594 Beijing *XINHUA* in English 0230  
GMT 20 Sep 94

[Text] Hohhot, September 20 (XINHUA)—Animal husbandry has been developing fast over the past few years in rural areas of north China's Inner Mongolia Autonomous Region, one of the country's five major pastoral areas.

Last year, local farmers in rural Inner Mongolia raised 32.63 million head of livestock, accounting for 58.5 percent of the regional total.

The statistics up to the end of June of this year, farmers in the region's rural areas, and areas of semi-farming and semi-animal husbandry have raised up 9.16 million head of pigs in stock.

Local officials attributed the quick development of animal husbandry in the region's rural areas to the fact that the implementation of rural economic system reform in depth and the increased grain output have created good conditions for these areas to develop animal husbandry sector.

At the same time, local governments at various levels have also mobilized scientific and technological workers to go down into the grass roots rural areas to help spread the use of new techniques in breeding livestock such as beef cattle, sheep and milk cows, in addition to the adoption of preferential policies to encourage more rural households to specialize in livestock of various kinds.

Over the past two years, the local governments at various levels of the region have built 600 new farmers' markets, as well as a group of large specialized wholesale markets, to help the circulation of farm produce and livestock from the rural areas of the region.

For example, Ningcheng County in Chifeng city sold more than 100,000 head of pigs to Beijing, Tianjin and Tangshan last year, and local farmers earned an extra average of 200 yuan. At present, the county now raises 400,000 head of pigs this year.

According to the officials, last year, farmers of the autonomous region earned 100 yuan more than the previous year, 40 percent of which came from animal husbandry.

### Northwest Region

#### Vice Premier Zou Jiahua Inspects Gansu Province

OW2209075094 Beijing XINHUA in English 0702  
GMT 22 Sep 94

[Text] Lanzhou, September 22 (XINHUA)—Efforts should be made to achieve a sustained, fast and healthy development of the economy, said Vice-Premier Zou Jiahua during a recent four-day inspection tour of Gansu Province in northwest China.

Before this, Zou, also a member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), attended a special ceremony marking the completion of the double-tracking project on the existing Lanzhou-Urumqi railway line.

During his stay in Gansu, Vice-Premier Zou visited mines, workshops of large and medium state enterprises and companies. He extended greetings to the workers, technicians and officials, and discussed with them matters concerning technical upgrading of enterprises and local economic development.

He urged local government officials to adopt positive measures to help old industrial enterprises solve difficulties and promote technical upgrading of these enterprises.

Zou praised Gansu for basically realizing self-sufficiency in grain despite difficult natural conditions.

As water has been a major factor restricting the development of farming in Gansu, the construction of water-control facilities should be given top attention, said the vice-premier.

He called on local officials to encourage farmers to vigorously engage in diversified economic activities.

The vice-premier asked the Gansu provincial party committee and government to fully implement the 10 measures put forward by Premier Li Peng at a teleconference on price control and to bring down prices.

He also urged local officials to make full use of local tourism resources and vigorously develop the tourism sector.

#### Ningxia Vice Chairman Comments on Grain Output

OW2109143694 Beijing XINHUA in English 1423  
GMT 21 Sep 94

[Text] Yinchuan, September 21 (XINHUA)—Northwest China's Ningxia Hui Autonomous Region has become a major commodity grain producer.

"We expect to reap a great harvest this year," said Zhou Shengxian, vice-chairman of the autonomous region, which is mainly inhabited by Muslims. "The autumn crop is growing well, although the south of Ningxia was hit by a severe drought earlier this year."

Ningxia began to sell its surplus grain to other provinces last year, as its total grain output of the region reached two billion kg.

Due to its harsh natural conditions, grain output remained low for a long time in the past. A certain amount of grain had to be supplied from other provinces then.

Ningxia did not have enough water-conservancy facilities and suffered from water and soil erosion and salinization of the soil. Some 70 percent of the residents did not have enough food until the end of the 1970s.

However, efforts over the past decade have improved the grain output.

Chinese Government funding and foreign investment have both nourished agricultural development in the autonomous region.

The World Food Program of the United Nations has given aid of 6.32 million U.S. dollars worth of food to help transform 4,000 ha of undeveloped land in Zhongwei County into a high-yielding commodity grain-producing area.



Some 37 million U.S. dollars in World Bank loans have helped the construction of an irrigation project to divert water from the Yellow River, the transformation of 34,000 ha of low-yielding farmland and the resettlement of 50,000 people.

### **Qinghai Secretary Welcomes Party School Opening**

*HK2209113794 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 1 Sep 94*

[Text] On the morning of 1 September, the provincial party school held a ceremony celebrating the start of the 1994 fall semester. The ceremony was attended by Yin Kesheng, secretary of the provincial party committee and president of the provincial party school; Li Yunjun, member of the standing committee of the provincial party committee; Yang Maojia and Ma Shiqing, vice chairmen of the standing committee of the provincial people's congress; Zhang Zilian, first vice president of the provincial party school; and some other provincial leaders.

A total of 594 cadres will take part in theory training in the 1994 fall semester at the provincial party school, including an unprecedented number of leaders of provincial departments, prefectures and autonomous prefectures, provincial department sections, and counties. They will study mainly the basic Marxist theories; the "Selected Works of Deng Xiaoping," Vol III; the theory of building socialism with Chinese characteristics; the socialist market economy theory; and so on in the 1994 fall semester.

Provincial party committee Secretary Yin Kesheng delivered a speech at yesterday's ceremony in which he called for further strengthening education among party members and cadres, and for further improving the provincial party school's work in the new historical period. He said: The majority of Qinghai cadres are good

and honest. The comrades in Qinghai have been able to adhere attentively to the party's basic line, and to handle properly the relations between reform and development on the one hand, and stability on the other. However, he noted, we also should be aware of the fact that a considerable number of party members and cadres in Qinghai do not yet have a good grasp of Marxist theory, and thus far have failed to cultivate a healthy ideological and work style—a situation that does not conform with Qinghai's rapid growth and recent development. In order to tackle these problems thoroughly, it is necessary—first and foremost—to energetically step up the party's ideological and theoretical building; persistently arm the province's party members and cadres with the theory of building socialism with Chinese characteristics; fully understand both the importance and the urgency of studying Marxist theory; be more conscious and eager to study Marxist theory; take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the strong spiritual pillar of the whole party; comprehensively raise both the theoretical and professional standards of the broad masses of party members and cadres at all levels in the province; and make them more capable of guiding reform, opening up, and economic construction, and more conscious in showing concern for and catering to the country's overall interests.

Yin Kesheng stressed: In order to improve the provincial party school's teaching quality, it is also necessary to concentrate on each and every key work aspect, integrate theory with practice in the course of teaching and scientific research activities, improve training and education results, conduct in-depth education reform aimed at integrating theory with practice, improve curriculum planning and teaching methods, and constantly conduct scientific research aimed at improving the provincial party school's teaching quality.

### **Bilateral Talks on GATT Entry Go 'Smoothly'**

OW2209100194 Taipei CNA in English 0749 GMT  
22 Sep 94

[By Tm. J. Tzou and Danielle Yang]

[Text] Paris, Sept. 22 (CNA)—Taiwan's bilateral tariff-reduction talks with eight nations in Geneva went smoothly and further paved the way for Taiwan to enter the General Agreement on Tariffs and Trade (GATT).

Director-General of the Board of Foreign Trade (BOFT) Huang Yen-Chao made the remark after arriving in Paris from Geneva, where he just concluded the first-phase tariff-reduction talks with eight countries. Taiwan is scheduled to hold talks with 23 countries.

Huang said Taiwan's efforts in overcoming trade barriers have been affirmed and won support from Hungary, Uruguay, Chile, Colombia, the Czech Republic, Slovak, Turkey and Argentina.

However, the eight countries were not totally satisfied with the tariff-reduction list submitted by Taiwan, they also hoped Taiwan can further lift non-tariff barriers such as area restrictions and quotas.

Huang said he will speak at a symposium sponsored by the Organization for Economic Cooperation and Development (OECD) beginning Thursday [22 September].

Vice Economic Affairs Minister Sheu Ke-sheng has already arrived in Geneva from Taipei to start six days of bilateral consultations with the United States beginning Thursday.

### **Spokesman Vows To Continue UN Membership Bid**

OW2209095794 Taipei CNA in English 0821 GMT  
22 Sep 94

[By Lilian Wu]

[Text] Taipei, Sept. 22 (CNA)—The Republic of China's bid for membership in the United Nations is a long-term effort and will not be realized in the near term, according to Rock Leng, spokesman for the ROC Ministry of Foreign Affairs.

Speaking shortly after the UN General Committee rejected a 15-nation proposal asking the UN General Assembly to set up an ad hoc committee to consider giving Taiwan a UN seat, Leng said Taiwan will continue to work toward winning more support from the international community.

Leng noted that 90 minutes were devoted to discussion of the proposal during the four-hour session of the UN General Committee Wednesday [21 September].

Leng said that the number of nations who support Taiwan's UN bid had increased to seven this year, up from three last year, showing that the proposal has drawn the attention of the international community.

Although the proposal was not listed on the agenda, Leng said, the government will continue to lobby for support and sympathy for Taiwan.

Leng noted that the number of nations which opposed the proposal also increased to 20 from 11 last year. The ministry will try to learn more about the stance of those countries, he added.

The ministry will also try to learn why Fiji, whose Prime Minister Sitiveni Rabuka visited Taiwan early this month, spoke out against the proposal.

### **Editorial Against UN Admittance**

HK2209065294 Hong Kong HONGKONG STANDARD  
in English 22 Sep 94 p 12

[Editorial: "Taiwan Must Not Be Given UN Seat"]

[Text] Taiwan, like most parts of East Asia in the immediate post-war years, was never spoken of in terms of economic progress. Today, it is gaining respect for economic strides so great the island's infrastructure is finding it difficult to cope. Has this new-found economic clout put the island regime in a position to make demands on the international community? To be more specific, does it belong in the United Nations? Taiwan has launched a campaign—passionately opposed by China—to put this question on the agenda of the UN General Assembly.

Small, impoverished countries like Estonia, Latvia and Lithuania were admitted to the UN in 1991. So why not increasingly dynamic Taiwan? The difference is that the world agrees that the other three are nations, and that Taiwan is not. The vast majority of countries proceed from the assumption that only one China exists and Taiwan is an inseparable part of it.

Twenty-three years ago, the late United States president Richard Nixon delivered his bombshell announcement that he would visit China, and for the Taipei government, prospects suddenly looked murky. The picture was hardly brightened by the ousting of Taiwan from the UN the following October and the subsequent decision of numerous countries to shift diplomatic recognition from Taipei to Beijing.

Yet Taiwan has managed to fare so well in the intervening years that a new sense of self-confidence has been built up on the island. Taiwan's dilemma is its lack of national identity. The myth that it represented 1.2 billion Chinese has been shattered by the island's replacement in almost all international bodies by the People's Republic.

Taiwan's President Lee Teng-hui has shown in recent months that he possesses a deft hand in global political chess. Almost every move he has made lately has been aimed at sending a message to the world: "We are here and we are an economic power." Quite right, too.

Former US deputy secretary of state John Whitehead clearly agrees. He rightly told the United Nations Association of the US last week that Taiwan is probably the

world's foremost example of economic growth in company with democratisation. According to Mr Whitehead, the offshore Chinese island "ranks No 1 of all political entities for the successful growth of its economy in the last 40 years accompanied by the development of a democratic society". Nothing very controversial about that.

But Mr Whitehead's next comment was extremely controversial. "I think it's a shame," he said, "that a way has not been found to enable it to play a role more actively in international affairs." What was he talking about? Membership in the General Agreement on Tariffs and Trade? Nothing wrong with that. Rejoining the UN? Absolutely not. Mr Whitehead must be aware that Taiwan is not a sovereign country.

This newspaper believes that Taiwan is an important economic entity and should be recognised as such. But that's as far as it goes. We agree with those who proceed from the assumption that only one China exists and Taiwan is an inseparable part of it. That means independence for the island is a non-starter. So is membership of the UN.

#### Taiwan May Reduce Exchanges With China

HK2209064594 Hong Kong SOUTH CHINA MORNING POST in English 22 Sep 94 p 1

[Text] Taiwan said yesterday it was considering reducing sports and cultural exchanges with rival China for the second time in a year and accused, it of fuelling an independence movement on the island. Relations had been slowly improving, after the murder of a group of Taiwan tourists in southern China in March, until the mainland effectively blocked a visit by Taipei's President to next month's Asian Games.

"The pace and direction of exchanges may be adjusted," said Kao Koonglian, vice-chairman of the Mainland Affairs Council that formulates policy towards China. Mr Kao was responding to remarks last week in the United States by one of China's chief negotiators on relations with the island who said Taipei had no right to pursue an independent foreign policy.

Tang Shubei, secretary-general of China's Association for Relations Across the Taiwan Strait, outlined what he called "three nos" for Taiwan—no membership of the United Nations, no ties with the United States and no "holiday" or informal diplomacy with potential diplomatic partners. "Is mainland China trying to seek reunification or to inspire independence in Taiwan?" Mr Kao said, referring to possible alienation of the island's 21 million people.

Taiwan formally resumed cultural exchanges among its few officially sanctioned contacts with China, last month—four months after these were suspended in response to an attack on a pleasure boat that killed 24 Taiwan tourists in March.

Although Taiwan has been using its economic muscle and private visits by its leaders to promote unofficial

ties, President Lee Teng-hui was forced to cancel a visit to next month's Asian Games in Japan under pressure from China. "They (China) should understand that whenever they suppress Taiwan internationally, demands for independence rise and for reunification fall—without exception," Mr Kao said. However, Mr Tang also criticised Mr Lee's policy towards China as a mere pretence of reunification.

Increasingly strident calls for independence by opposition parties in recent years have struck a chord with some Taiwanese. China has threatened to invade Taiwan if it declares independence. A survey this month showed support for independence at 12.4 percent and for reunification at 32.1 percent. A previous poll showed 11.6 percent and 20.7 percent.

"It is very inappropriate for Mr Tang to sully our leaders. He is not qualified and is in no position to make such a comment," Chiao Jen-ho, secretary-general of the semi-official Straits Exchange Foundation that handles negotiations with China in the absence of official ties, said. Mr Tang's remarks came during a visit by government spokesman Jason Hu to the United States to drum up diplomatic support for Taipei's second bid to rejoin the United Nations.

Taiwan legislators have asked the Cabinet to ban visits by Mr Tang—the most senior Chinese official to come to Taiwan in four decades when he attended talks last month—and immediately to suspend subsidised sports and media exchanges with China.

#### Chairwoman Criticizes PRC Official's Remarks

OW2109194894 Taipei CNA in English 1339 GMT 21 Sep 94

[By Bear Li]

[Text] Taipei, Sept. 21 (CNA)—Yeh Chin-fong, the deputy chairwoman of the Mainland Affairs Council (MAC), on Wednesday [21 September] said the negative remarks about Taiwan made by Tang Shubei were "incompatible" with his position as a leader of Mainland China's intermediary body handling cross-strait exchanges.

Yeh made the criticism at a Legislative Yuan session screening a draft regulation concerning the process for Taiwan's reaching agreements with the mainland.

Tang, standing vice chairman of the Association for Relations Across the Taiwan Strait, said in San Francisco on Sunday that Taiwan should be blamed for worsening Cross-Strait relations.

He also reiterated Beijing's "three no's" policy toward Taiwan—no entry to the United Nations, no diplomatic links with the United States, and no vacation diplomacy for Taiwan.

Angered by Tang's remarks, a delegation of Taiwan news organization executives, led by Central News Agency President Shih Kermin, cut short its visit to the mainland and returned to Taiwan Wednesday evening.



Yeh said she supported the delegation's decision.

Legislator Yeh Yao-peng of the Democratic Progressive Party suggested at the session that the MAC list Tang as a "persona non grata" and exclude him from future Cross-Strait negotiations.

She said that Tang's remarks, together with Beijing's recent blockade of President Li Teng-hui's planned attendance at the Hiroshima Asian Games, were part of the mainland's policy to isolate Taiwan in the international community.

Yeh said the MAC fully realized Beijing's "two-handed" strategy—to brutally strike Taiwan on one hand while appeasing it on the other. "For these reasons, the MAC has to adopt a prudent approach in promoting Cross-Strait relations," she stressed.

Meanwhile, Straits Exchange Foundation vice chairman and Secretary-General Chiao Jen-ho said that Beijing's "menacing" Taiwan would not help both sides' plan for national reunification.

But Chiao added that civilian exchanges between the two sides would not be affected by recent incidents.

#### **Government Plans To Sign Procurement Agreement**

OW2109194694 Taipei CNA in English 1326 GMT  
21 Sep 94

[By Benjamin Yeh]

[Text] Taipei, Sept. 21 (CNA)—The Republic of China [ROC] plans to sign a government-procurement agreement under the GATT framework in early 1996 if it is granted membership in the Geneva-based World Trade Organization, a ranking economic planning official said Wednesday [21 September].

"Negotiations are already under way," Hsueh Chi, vice chairman of the Council for Economic Planning and Development, said at a joint session of the Legislative Yuan, where the draft government procurement law was screened. "We hope there will be a grace period before the agreement is signed in early 1996," he added.

Hsueh said, however, that marked differences remain with some GATT contracting parties—especially the United States—regarding such an agreement.

The United States has demanded that Taiwan agree to the following conditions before an agreement is struck: All government-procurement plans should be printed in Taiwan's major newspapers; the government must open

contracts to international bidding at specified prices; the outcome of the bidding should be printed in major newspapers, and objective industrial standards should be adopted for prospective bidders of all GATT contracting parties.

The ROC applied for GATT membership in 1990 under the name of "customs territory of Taiwan, Penghu, Kinmen and Matsu," and hopes to gain admission before the year's end.

#### **Ministry Lifts International Flight Restrictions**

OW2109204894 Taipei CNA in English 1332 GMT  
21 Sep 94

[By Benjamin Tyeh]

[Text] Taipei, Sept. 21 (CNA)—The Ministry of Transportation and Communications on Wednesday [21 September] agreed to lift restrictions on local airlines wanting to fly international routes.

"Unlike in the past, local airlines will now be eligible to fly international routes if they come up with reasonable operation plans," Chu Yung-chuan, director of the Ministry's Navigation and Aviation Department, told the press.

Transportation and Communications Minister Liu Chao-shiuan offered the guarantee at a meeting with senior executives of seven airlines providing domestic flight services, who had complained of the existing aviation policy.

Under present rules, only airlines rated "grade A" are allowed to fly international routes, and those "grade B" air companies are restricted to domestic routes.

The airlines' complaints came in the wake of the ministry's recent decision to allow Eva Airways to fly domestic routes. They feared the go-ahead would fuel the already stiff competition among those airlines flying domestic routes.

They also criticized what they said was the privileged treatment extended to Eva Air, saying the airline should have accumulated specified performance records before it was allowed to fly international routes several years ago. Eva Air is Taiwan's second airline to offer international air service after China Airlines, the national flag-carrier.

The seven airlines affected by the new policy are Far East Air Transport Corp., Foshing Airlines, Great China Airlines, Formosa Airlines, Makung Airlines, Taiwan Airlines and China Asia Airlines.

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